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THURSDAY, NOVEMBER 17, 1938



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F A M O U S A M E R I C A N H O M E S



Wolfert's Roost to Sunnyside



IN THE YEAR 1650 Wolfert Eckert built a little gabled house about twenty-five miles from old New Amsterdam on the eastern bank of the lordly Hudson where it widens into Tappan Sea. He was a doughty compatriot of "Old Silver Leg" (as Peter Stuyvesant was called) and longed for a place where he might live and die in peace; so he built the snug little retreat, inscribing in a panel over the door the Dutch motto "Pleasure in quiet," which soon resulted in the place being called "Wolfert's Rest" by his Dutch neighbors. English settlers in the vicinity noting that Wolfert was a hen pecked husband, laughingly referred to the house as "Wolfert's Roost," which name has clung to the memory of the quaint little abode to this day.

During the Revolution, when Jacob Van Tassel lived at "Wolfert's Roost," it stood between the British and American lines. The stalwart Jacob pierced its walls with loopholes and it became the rendezvous of a company of husky farmer lads known as "Land Scouts."

As the "Roost" had been marked by the British for special punishment, it later fell into the enemy's hands and was burned to the ground. After the war, Jacob returned and rebuilt the "Roost."

In 1835 Washington Irving, the author who loved the neighborhood which he had made the background of many of his delightful stories, purchased the "Roost" and remodeled it from the simple Dutch cottage into the elaborate American country seat where Louis Napoleon, later Emperor of France, called to pay his respects. Thus came into being "Sunnyside," the home of Washington Irving, its walls heavy with ivy that grew from slips culled from the rugged stones of Melrose Abbey by Sir Walter Scott. "Sunnyside" has been aptly called the Stratford-on-Avon of America.

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Whisky Loss in Owensboro Fire Set at \$2,000,000

Insurers Suffer Another Post-Repeal Shock as Glenmore Plant Burns

LOUISVILLE—Loss estimated at \$2,000,000 or more was suffered by the Glenmore Distilleries, Inc., of Louisville, in fire that attacked its plant in Owensboro, Ky.

Six buildings were destroyed, along with contents; and three others damaged. The main plant, bottled in bond bottling house, and warehouses containing 200,000 to 225,000 barrels of whisky were saved, along with other buildings used for various purposes.

Warehouse F and approximately 15,225 barrels of whisky; warehouse C.P.S., and approximately 1,173 barrels of

Since repeal of prohibition, insurance companies have paid (including the Owensboro loss) between \$6,000,000 and \$7,000,000 on account of whisky warehouse fires.

Insurers paid \$2,655,467 following the fire in Lexington, Ky., April 28, 1934, in the James E. Pepper plant of Schenley Distillers.

Insurers paid \$162,405 following the fire in Peoria, Ill., March 16, 1935, in the Penn Maryland Corporation plant.

Insurers paid approximately \$1,850,000 following the famous incident in Peoria Ill., July 22, 1935, in the Hiram Walker-Gooderham & Worts establishment.

whisky, and warehouse B, and approximately 15,443 barrels of whisky, along with case goods house W.W., free bottling house, C.B., and barrel and storage house C.R., were complete losses. Damaged buildings included bonded warehouse P., bonded case goods warehouse Z, and bottling house for bottled in bond liquors, B.H.

Cause of Fire Unknown

Estimates of whisky lost have been reported at from 32,000 to 38,000 barrels. The bulk of the losses were in whiskies from two to six years of age.

Cause of the fire remains unknown, but it is believed to have started in electrical equipment in the main bottling house. With a strong wind blowing it was difficult to prevent spread of the flames and at one time it was feared the entire property would be destroyed.

The Glenmore plant is on the banks of the Ohio river above Owensboro, and between the highway and river.

It was reported that in addition to the whisky burned in the warehouses there was about 1,000 barrels of whisky in the bottling house that was destroyed

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Unprotected Homes Ruling Liberalized

Chief Engineer Ohio In- spection Bureau Explains the Requirements Made

CINCINNATI—H. J. Manning, chief engineer in charge of classification department, Ohio Inspection Bureau, Columbus, explained to the Cincinnati Fire Underwriters Association the bureau's ruling liberalizing treatment of dwelling property located in unincorporated districts which met requirements providing for certain fire protection facilities.

It has been the general practice of the bureau to limit credit for public fire protection on property covered by the Ohio dwelling schedule to those within corporate limits of cities, towns and villages. Because of the general improvement in such protection in unincorporated districts, 9th class basis rates have been named for such districts where the protection provided is found acceptable and where fire department protection has been properly provided for by ordinance or written agreement, if not maintained by the district itself. Through the attachment of a fire protection clause to a policy, an assured living in an unincorporated district may secure the benefit of 8th class basis rates if the property is "located not more than 1,000 feet from a public fire hydrant and within three miles (measured on public highway) of a regularly organized and equipped fire department. . . ."

Better than 10th class cannot be used in unincorporated districts unless each district has been investigated by the bureau and certified by an individual bulletin or rate publication, Mr. Manning said.

Fire Department Service

Any of the following arrangements for fire department service are acceptable: The district itself, as in the case of a township, can provide and maintain its own fire department; it can purchase equipment outright, turning it over to an adjacent town, village, or city fire department to be operated under mutually agreeable terms for joint use; township trustees or other officially elected representatives can enter into a contract with an adjoining municipality for the services of its fire department for all residents of the district; the city, town, or village council may pass an ordinance or resolution providing such protection gratis to outside territory.

"Bulletins cannot always be made to follow any set form, but must be worded to suit individual conditions," Mr. Manning said. "For instance, one bulletin may state all property in a classified area within 1,000 feet of a public fire hydrant and within three miles of a fire department is 8th class, and all other property 10th instead of 9th, unless apparatus responding beyond the prescribed limits for hydrants carries at least a booster pump and not less than 150 gallons of water.

"In another instance we may have public mains and hydrants available with inadequate water supply not sufficient to warrant 8th class and also apparatus which in itself does not provide sufficient facilities to justify 9th class.

Coast Directories Are Changing Hands

The National Underwriter Company Buys All Books from "Underwriters Report"

The National Underwriter Company has purchased the handbook or state insurance directory business of the "Underwriters Report" of San Francisco covering California, Oregon, Washington, Montana, Idaho, Utah and Nevada.

The "Underwriters Report" was the original publisher of handbooks in these states, having issued its first books more than 20 years ago. In making the purchase, The National Underwriter Company is acquiring all rights, title, interest and good will in the handbooks for these states. The "Underwriters Report" is disposing of this branch of its business so that its staff may concentrate on the publication of the paper itself, and the insurance telephone directories for San Francisco, Los Angeles and other Pacific Coast cities, which it originated.

Will Broaden the Scope

The acquisition of these Pacific Coast and mountain states handbooks will considerably broaden the handbook publishing scope of The National Underwriter Company, which will, in the future, be publishing handbooks for 31 states, and the province of Ontario. The National Underwriter's handbook department is located in Cincinnati in charge of Vice-president C. C. Crocker. Mrs. Nell Boner is chief compiler. This is one of the most important publishing activities of THE NATIONAL UNDERWRITER. Its handbooks, published for most of the important states, are the standard works of their kind. The books to be published for the states just acquired will be uniform with those now being issued, and will contain the same complete information.

The combination of the two, however, may warrant 9th where property is within 1,000 feet of a public fire hydrant, although in such case the attachment of the fire protection clause is not made mandatory.

Credit for hydrants on private property was eliminated because they are not properly maintained.

Mr. Manning said that the fire protection clause was inaugurated in an attempt to avoid the necessity of setting up definite boundaries and also to eliminate the time and expense required in the preparation and publication of maps showing certified territory. Because it is impracticable to set up regulations covering every possible situation, special conditions affecting particular risks will be individually considered.

The effect of the ruling is to give assured living in unincorporated territory the advantage of a considerable reduction in rates if the district qualifies under the conditions. Admission of William Hartman as a class A member representing the Homeland was approved by the association. G. B. Wilson, president of the association, presided. L. J. Schweer, Cincinnati superintendent of the bureau, was a guest.

Illinois Agents in Annual Session at Peoria Are Alert

W. H. Jennings, Jr., of Rockford, Presents Report of the Administration

By JAMES C. O'CONNOR

PEORIA, ILL.—At the annual meeting of the Illinois Association of Insurance Agents, W. H. Jennings, Jr., of Rockford, head of the organization, presided and gave the report of the administration. It will be proposed during the meeting to change the constitution so that there will be an executive vice-president to be in charge of the divisions into which the state will be divided and over each there will be a resident committee. The various questions as to membership and other features coming up center about the executive vice-president. H. H. Monier of Champaign, who is a director, seems to be slated for the new post. It is the general feeling that President Jennings will be continued in office and W. Herbert Stewart of Chicago as chairman of the board.

President Jennings' Report

President Jennings reported a membership of 504, the highest point. Dudley Giberson of Alton, chairman membership committee, had charge of the promotion work. From Sept. 1, 1937, to Nov. 16, 1938, there was a gain of 92 members but there were 54 dropped for non-payment of dues leaving a net gain of 38. President Jennings is vitally interested in local boards, he having served as chairman of the local board committee in the state for some time. A local board has been organized at Freeport and prospective ones are Waukegan, Sterling and Lawrenceville. He recommended the county board plan where there are no towns of any size. There is one in the state, the DuPage County Association of Insurance Agents.

Stock Company Representation

A questionnaire was sent to members in June to determine the percentage of strictly stock company representation. There were replies from 94 percent of the membership. Of these 87 percent reported only stock company representation and 7 percent reported some non-stock carriers. President Jennings hopes the association will soon go on record, having members who represent only stock companies.

He believes that Illinois should adopt a "declaration of guiding principles," something like what has been done in California. He said that Illinois is watching the results in California and in Wisconsin where the latter association

(CONTINUED ON PAGE 10)

Palmer's Finance Ruling Less Severe Than Anticipated

Illinois Department Seeks to Prevent Cheating of Car Buyers

Insurance Director Palmer of Illinois has this week issued a set of rules and regulations governing the writing of automobile finance business. These regulations are not as severe as most observers had anticipated. The department made a searching inquiry into the auto finance situation, caused the companies to complete an exhaustive questionnaire, had a hearing in Chicago and has been conferring with a company committee for the past several weeks. The regulations are directed principally at preventing the car purchaser from being cheated by the finance company through overcharging him in devious ways for his insurance.

Acquisition Cost Phase

Mr. Palmer, in his ruling, does not take as strong a stand on the acquisition cost phase of the problem as a good many felt that he would. He does say that the department will take action to see that rebating is discontinued. Many finance companies get commissions on their own business even though they are not licensed as insurance agents.

So that the excessively high expense ratio on automobile finance business will not affect adversely the rate calculations in respect of non-finance business, Mr. Palmer rules that in fixing rates an expense factor of only 40 percent may be employed.

The text of the ruling is:

"1. Policies issued whether as master policies or to cover individual automobiles shall be the same as the policies regularly used in writing motor vehicle business in the state, and which have been filed with this department.

Standard Master Policy

"2. This department recognizes the necessity for a standard master policy form for finance business, as well as a standard form of finance certificate which will clearly define the interests thereunder of finance company, purchaser or dealer. Further recognizing the interstate nature of finance business, this department recommends prompt adoption by the convention of insurance commissioners of a standard master policy form and certificate for countrywide use and is prepared to adopt as mandatory for use in Illinois any such forms having the approval of the convention of insurance commissioners.

"3. Companies shall require that a certificate or policy be actually placed in the hands of each car purchaser within 30 days following its effective date.

"4. Certificates issued under a master policy shall contain all of the printed conditions of the regular automobile policy issued by the insuring company and filed by them in this state.

Legible Type Required

"5. Certificates shall clearly show the terms and conditions of the master policy form. Certificates shall be printed in type which is legible.

"6. Certificates and copies thereof or policies shall clearly set forth the limits of liability, specific insurance rates and premiums and insurance coverage.

"7. Certificates or policies furnished to car purchasers shall be legally countersigned by an agent duly licensed in

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Rochester Board as Host to Noted Men

Number of People Distinguished in Insurance Present as Guests

ROCHESTER, N. Y. — More than 200 people including many celebrities in the insurance world attended a dinner given by the Underwriters Board of Rochester in honor of former Superintendent G. S. Van Schaick and Lawrence Daw, manager Syracuse division of the Fire Insurance Rating Organization, the only two honorary members of the Rochester Board. Mr. Van Schaick was presented a framed certificate of honorary and life membership, Mr. Daw having been presented with one May 1 of this year, his 25th anniversary in his present position.

Pink Chief Speaker

Roy A. Duffus, president of the Underwriters Board, was toastmaster and preceded the introduction of each one of the guests at the speakers' table with an interesting anecdote of the person's life or a short biographical sketch.

Superintendent Pink was the principal speaker of the evening and held the attention of the audience. Others responding to Toastmaster Duffus' introductions with short remarks were Messrs. VanSchaick and Daw, Col. H. P. Dunham, vice-president American Surety and former Connecticut commissioner; Spencer Welton, vice-president Massachusetts Bonding; R. L. M. Carson, president; Warren E. Day and

Two Corroon & Reynolds Companies to Be Merged

NEW YORK—Stockholders of the Merchants & Manufacturers Fire of New Jersey and of the Importers & Exporters of New York, both under the management of Corroon & Reynolds of this city, will meet shortly to pass on the recommendation of their respective directors that the interest of the two companies be merged. If the proposed plan is approved and is sanctioned by the two insurance departments, the enlarged corporation will be known as the Merchants & Manufacturers of New York, and will continue under the present administration.

Thomas A. Sharp, vice-presidents, and J. W. Rose, secretary New York State Association of Local Agents; F. W. Townsend, vice-president Rochester Board; L. L. Saunders, secretary Insurance Federation State of New York; Senator J. R. Hanley, member senate insurance committee; F. L. Greeno, national councillor; Holgar J. Johnson, president National Association of Life Underwriters; E. A. Murphy, president New York State Life Underwriters Association; E. J. Schlitzer, president Rochester Life Underwriters Association, and Albert Dodge, Buffalo, past president New York State Association of Local Agents.

It was also ladies' night. Members of the Adjusters Club and Western New York Field Club were present.

Acknowledging presentation of the certificate of honorary and life member-

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Low Loss Record Breeds Dangerous Psychology

C. D. Sheffe Warns of Liberalization in Views of Examiners

NEW YORK—C. D. Sheffe, in addressing a meeting of the New York Fire Insurance Examiners Association, expressed apprehension because of the psychological change in the attitude of examiners due to the unprecedented low loss ratio record of the past five years. Mr. Sheffe is assistant U. S. manager of London Assurance.

Examiners, he observed, in recent years have had little or no opportunity to practice their calling. The examiner's views, he said, have become more liberal and his work much easier as a result of the record. Because of the shrinkage of premium income in many offices the examiner has been urged to become a producer and Mr. Sheffe declared that herein lies trouble.

Free and Easy Optimism

Successful producers, he pointed out, must have a free and easy optimism. A good examiner, on the other hand, is critical, takes nothing for granted and seeks to learn the whole story before making a decision.

The low loss ratios, he said, may lull those who do the underwriting into a false sense of security, leading them to believe there is no longer need for careful scrutiny of business and that production is the more important role of an examiner. Mr. Sheffe warned that this is a fallacious assumption.

Most observers have believed that the loss ratio would return to normal by the simple effect of an increased burning rate, but now they are not so sure, according to Mr. Sheffe. Apparently some changes that affect the loss ratio favorably are becoming more or less permanent.

Profit May Disappear

Even though the burning rates may not increase, there is danger that profit will disappear from the business, however, because the continuing low loss ratios, Mr. Sheffe observed, have produced numerous rate reductions. The cumulative effect will create higher loss ratios, without an increase in the burning rate.

Eventually, Mr. Sheffe predicted, the examiner again will be obliged to exert his utmost skill in the selection of business. Lower rates will cause such high expense ratios, he pointed out, that the only hope of profit will be through the selection of business that will produce a moderate loss ratio.

The speaker predicted a change in attitude towards classes of business. Those that have been regarded as the most profitable in the past have suffered multiple rate reductions whereas the rates on many of the traditionally poorer classes have been maintained and the record has been satisfactory. The examiner should not depend too much on past records, he said. He should observe closely the more recent results and trends in the various classes and territories.

Mr. Sheffe attributed in considerable degree the improved burning rate to the paternalistic policy of the present administration—mortgage moratoria, easier bankruptcy laws, federal mortgage agencies, crop subsidies, relief

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THIS WEEK IN INSURANCE

Annual meeting of the Illinois Association of Insurance Agents is being held this week at Peoria. **Page 3**

Owensboro plant of Glenmore Distilleries burns, causing insurance loss estimated at \$2,000,000. **Page 3**

H. J. Manning, chief engineer Ohio Inspection Bureau, explains to Cincinnati agents its ruling liberalizing treatment of dwelling properties located in unincorporated districts. **Page 3**

The National Underwriter Co. purchases from "Underwriters Report" its Pacific Coast state insurance directories. **Page 3**

Ruling of Insurance Director Palmer on auto finance business is aimed mainly at preventing the cheating of the car buyer by the finance company. **Page 4**

Walter D. Williams, president Security of New Haven group, retires from that position and is succeeded by Peter J. Berry. **Page 5**

Situation with regard to the various insurance commissioners following the recent election is summarized in a special article. **Page 5**

New Kansas state insurance directory comes from the press of The National Underwriter. **Page 6**

Ben S. McKeel is appointed new manager of the General Cover Underwriters Association. **Page 6**

C. D. Sheffe gives penetrating address on underwriting in a period of low loss ratios to meeting of New York Fire Insurance Examiners. **Page 4**

The New York department has completed its compilation and analysis of the fire insurance experience in the state for the last five years. **Page 6**

Rochester, N. Y., Underwriters Board entertained distinguished guests. **Page 4**

National Association of Insurance Agents announces the 1939 annual meeting will be held at the Statler hotel, Boston, the week of Oct. 2. **Page 6**

Ralph W. Hukill of Norwood, O., most loyal grand gander of the Blue Goose, becomes special agent of the Great American group in southwestern Ohio. **Page 8**

Merchants & Manufacturers Fire of New Jersey and Importers & Exporters of New York will merge under the name of the Merchants & Manufacturers of New York. **Page 4**

Fire losses for the first 10 months are given. **Page 10**

Expect standard general liability form to be submitted to joint Bureau and American Alliance committee. **Page 22**

Association of Casualty & Surety Executives finally brings action testing the validity of the Virginia resident agent law. **Page 21**

Conference held by surety officials with Federal Housing Administration authorities over bond rates. **Page 22**

W. D. Forsyth, general supervisor of the automobile department of the secretary of state's office in Illinois, comments on the new operators license and financial responsibility acts. **Page 23**

Safety work on long haul truck risks explained by President A. Duncan Reid of Globe Indemnity. **Page 23**

Vice-president H. D. Combs of the U. S. Fidelity & Guaranty, in his talk in Chicago, spoke of the desire for greater cooperation between agents and stock companies. **Page 21**

Florida supreme court has before it the state insurance department's refusal to license a number of mutual casualty representatives on the salaried plan. **Page 22**

United States Fidelity & Guaranty holds two-day educational meeting in Chicago. **Page 22**

Surety Association of America announces a new savings and loan blanket bond. **Page 21**

Zurich establishes new division of industrial hygiene at its U. S. head office. **Page 30**

Lafayette Indemnity of New York City is being organized with \$1,000,000 capital to write casualty and surety. **Page 28**

F. W. Potter of Hartford, field supervisor Aetna Casualty & Surety, speaks on "Basic Principles for Successful Selling," at the meeting of the Illinois Association of Insurance Agents. **Page 31**

Williams Resigns as President of the Security Group

Peter J. Berry, Executive Vice-pres., New Head of New Haven Organization

NEW HAVEN, CONN.—The directors of the Security, East & West and Connecticut Indemnity held a meeting this week when the resignation of Walter D. Williams as president was accepted with keen regret. Peter J. Berry, executive vice-president of the three companies, was elected president. He was also made a director.

About two months ago Mr. Williams suffered a severe attack in his office at Rockford, Ill. He was taken to a hospital there where the western department is located and then later on was shifted to the Presbyterian Hospital in Chicago. After a very careful checkup of Mr. Williams, his medical advisers informed him that it would be imperative for him to unload some of the more arduous duties that have overtaken his strength.

Manager and Also President

Mr. Williams is western manager of the companies and retained that office along with the presidency. He has had a few years of intense strain. When Victor Roth, the president, became incapacitated Mr. Williams practically had to undertake the chief executive work in addition to his own. Then he was elected president but maintained his duties as head of the western department as well. He endeavored to spend one week in New Haven and the next in Rockford. The mere transportation strain was terrific inasmuch as he had to go from New York to New Haven at the east end of the line and from Chicago to Rockford on the west end. The additional trip after reaching the two termini was arduous in itself. Mr. Williams simply broke down under the pressure that he was undergoing.

He will continue as a director of the companies and for the present as manager of the western department of which he took charge in 1910. Last month the western department celebrated its 50th anniversary. In the western department he will have to rely more on Executive Assistant E. T. Tanner and Assistant Managers E. K. Crawford and Sumner Miller. Mr. Williams has always been a hard worker. He has applied himself to his task without stint. He has never known what it was to play. It is difficult for a man of his long habit of industry and concentration to relax.

President Berry's Career

Mr. Williams' retirement as president comes on the 28th anniversary of his connection with the Security. He started his insurance career in the local agency of Mendenhall & Hoops of Duluth in 1890. Later he became special agent of the Fireman's Fund in Minnesota and South Dakota and in 1896 he went in the northwest field for the old Spring Garden which later was merged with the State of Pennsylvania. He was elected vice-president of the Spring Garden, serving until 1910 when he became western manager of the Security. He was made vice-president in 1920 and elected a director. He succeeded to the presidency in 1937 when Mr. Roth, now chairman of the board, retired.

Mr. Berry has been trained for the

Change in Presidential Mantle



WALTER D. WILLIAMS



PETER J. BERRY

Walter D. Williams, who retires as president of the Security of New Haven group this week, continues as western manager at Rockford, Ill. Peter J. Berry, executive vice-president, who becomes president, has been especially trained for the work. Mr. Williams is forced to lay aside some of the cares of office because of his health.

Illinois Deposits of London Lloyds Agents Returned

London Lloyds agents in Illinois who several years ago were required to put up \$5,000 deposit each as a guaranty and who are now licensed in that state, have been notified by J. S. Lord, attorney-in-fact for Lloyds in Illinois, that the money will be returned, and they have only to present themselves to get it. This step, it was stated, was voluntary on the part of London Lloyds. For a year or more the agents have been asking for return of the deposit.

A considerable number of the 52 or more agents who used to write for London Lloyds and who put up the deposits did not have their licenses renewed under the arrangement with the insurance department in which London Lloyds was licensed in the state. It is not known how many if any of these eventually will be licensed nor whether London Lloyds will return all or any of their deposits if they do not become licensed.

high duties he now assumes. He is a native of Hartford, being born there in 1896, and entered the insurance business in 1916 as a clerk at the head office of the Travelers. When he returned from war service he entered the Travelers' training school for agents and was sent to Cleveland as special agent covering northern Ohio in the casualty field for two years. Then he became assistant manager of the casualty department for the O. M. Stafford-Goss-Bedell agency at Cleveland, general agents of the Ocean Accident & Guaranty in northern Ohio. He returned to Hartford and spent six years with the Hartford Accident & Indemnity, first as home office representative and later as manager for the New York state field with headquarters at Syracuse. For six years Mr. Berry was superintendent of agents and then vice-president and general manager of the old General Casualty & Surety of Detroit. In 1931 he came to New Haven where as vice-president and general manager he launched the Connecticut Indemnity. In 1932 he pioneered that company's safe driver plan, which rewarded accident-free automobile drivers with lower premiums. In July, 1937, he was made

Uninsured Storm Losses Deductible for Income Tax

Property losses in the big New England storm that were not covered by insurance are deductible for income tax purposes, both on returns of individuals and returns of business enterprises. It does not matter whether the loss was on personal property or real estate. However, the loss must be clearly established, to the satisfaction of the government. There are two methods of valuing the damage, both upheld on review by the courts. One is more liberal than the other. One method is to allow a deduction of the amount by which the fair market value of the property immediately before the catastrophe exceeds the fair market value immediately thereafter. A more liberal method is to hold that the deduction should be the amount by which the cost of the property exceeds the value immediately after the catastrophe. The former is the method commonly upheld in determining insurance losses.

Some losses were total, in some cases repairs were made, and in other cases there was simple deterioration. All are deductible, on good evidence. The property owner should gather his evidence while it is fresh. Photographs, newspaper articles, opinions of expert appraisers and similar data will help in every case.

N. Y.-Des Moines Special Arranged

Special arrangements have been made to transport the eastern commissioners and camp followers to the meeting of the National Association of Insurance Commissioners in Des Moines. The arrangements are in charge of Edward McLoughlin, deputy New York superintendent. Special cars are being attached to the Commodore Vanderbilt of the New York Central, leaving New York at 4:20 p. m., Saturday, Dec. 3. These cars will be sent through to Des Moines without a change at Chicago. They will reach Des Moines Sunday evening.

executive assistant of the fire companies in the Security group and in March of this year was chosen executive vice-president. He is a man of personality, vigor and splendid experience.

Elections Rive the Commissioners' Association

Results Are Studied in Effort to Apprehend Changes

Camp followers of the National Association of Insurance Commissioners and others interested in the legislative aspects of the business are studying closely the probable significance in the various states of the elections that were held last week. They are interested for one thing in the changes that will ensue in the insurance commissionerships.

Then, they are seeking to divine what the legislative temper is likely to be. Legislative men had been fearing that the forthcoming season, commencing in January, would be a frightful one so far as insurance is concerned. Each year during the past few years when the legislative temper has become increasingly more radical, insurance measures that in days gone by were regarded as the forlorn hope of minority groups, have been getting serious attention. Those responsible for looking after the interests of insurance companies and organizations legislatively feared that this tendency would be even more pronounced in the 1939 legislative season and that there would be a flood of radical measures taken seriously.

Gain for Conservatism

The election last week gives these legislative people reason to believe that the 1939 season may be less terrifying than they had anticipated. The elections represented a decided gain for conservatism. In a good many states the Democratic hold was broken in one way or another. The legislative people will be more disposed to put up a fight against distasteful measures.

The election will sharply change the makeup of the National Association of Insurance Commissioners. It is impossible to say at this time just how many commissioners will lose their seats, but at least 14 or 15 seem to be doomed, including such notables as Blackall of Connecticut, Hunt of Pennsylvania, Bowen of Ohio, Pew of Iowa, Earle of Oregon, Ham of Wyoming, Gauss of Michigan.

The forthcoming winter meeting of the National Association of Insurance Commissioners in Des Moines will be a gathering of lame ducks. Perhaps some of the commissioners who voted to hold the meeting in Des Moines instead of, as traditionally, in New York, may now regret their choice, because they are now deprived of one last fling at Broadway on the state expense account. With such a number of lame ducks participating, the Des Moines meeting is likely to prove to be a rather listless, purposeless gathering.

Voters Were Respectful

So far as the officers and members of the executive committee of the association are concerned, the voters treated the association with considerable respect. Frank N. Julian of Alabama, the president, is probably safe. Read of Oklahoma, the secretary, was re-elected commissioner for the fourth term. L. H. Pink of New York, chairman of the executive committee, is under shelter with the reelection of Governor Lehman.

A. J. Ham of Wyoming, the vice-president, however, is doomed by the election results in his state.

(CONTINUED ON PAGE 14)

Experience Shown for Five-Year Term

Analysis of Returns in New York Has Been Completed

NEW YORK—Department attaches, having completed their compilation and analysis of the experience of fire companies in this state for the past five years, have submitted their findings and recommendations to Superintendent Pink for decision. While the report was in preparation a series of conferences on certain features was held between department representatives and company officials. Among other recommendations tentatively advanced in the report is that the allowable conflagration reserve be fixed at 1 percent and that for profit at 2½ percent instead of 3 percent and 5 percent, respectively, as heretofore.

The 5 percent profit allowance, which has been a fixture for a number of years, was reached at one of the annual conventions of the National Association of Insurance Commissioners. It is understood the New York department never formally subscribed to it, though without protesting the decision.

Conflagration Reserve

The allowance for conflagration reserve was likewise favored by the state officials, who appreciated that a major conflagration such as that experienced in San Francisco in 1906 is always a possibility, and companies should be allowed to strengthen their finances to meet it.

The companies, moreover, point to the steady decrease in the average fire rate for a number of years, a process that is still going on and which some feel has now reached a point where it should halt. Long experience has demonstrated to officials that, while it is an easy matter to reduce fire rates, any effort to advance them, however justifiable, encounters sharp opposition.

Excelsior's Dividend

Directors of the Excelsior, meeting in New York City, have declared a dividend of 15 cents a share payable Dec. 20 to stockholders of record Dec. 5.

This will be the fifth dividend of like amount since the Excelsior began its dividend-paying program in December, 1936.

President R. C. Hosmer reports that the Excelsior has had a profitable experience during the first ten months.

B. S. McKeel Heads General Cover Unit

Blue Goose Leader Moves to N. Y. Post from North Carolina

Ben S. McKeel has resigned as North Carolina State agent for New York Underwriters to become manager of the General Cover Underwriters Association



BEN S. McKEEL

tion in New York. Mr. McKeel has been a prominent figure in his territory and more recently has attained national fame because of his election to the Blue Goose grand nest. He is now grand custodian.

Mr. McKeel succeeds John E. Clark who has joined Fireman's Fund. Mr. Clark had served for only a relatively short time, having succeeded Robert G. Clarke, who is now secretary of Great American.

The General Cover Underwriters Association superintends the general cover operations of Agricultural, American, Boston, Glens Falls, Great American, Hanover, Phoenix of Hartford, Providence Washington, St. Paul Fire & Marine, Security of New Haven and Springfield F. & M.

Herbert Ashcroft continues as assistant manager of the General Cover Association.

Kansas Directory of Insurance for 1938 Is Now Distributed

THE NATIONAL UNDERWRITER has just published the Underwriters Hand-Book of Kansas for 1938. According to the compilers there has been quite an increase in the number of agents licensed during the year.

This year there were 30,892 licenses compared with 29,352 in 1937, 27,940 in 1936, 27,207 in 1935. There are 14,828 stock fire licenses, increase 314; 3,363 mutual fire, increase 144; 1,289 mutual hail licenses, increase 238; 6,598 stock casualty, increase of 334; 1,691 mutual casualty, increase of 232; 164 reciprocal, increase 52; 2,999 life, increase of 66. It is interesting to note that the stock casualty totaled 5,332 in 1935 and 6,598 in 1938, an increase of 1,266.

This new book brings up to date the situation on insurance in the state and totals 400 pages. It contains complete list of agents together with information about them, such as companies represented, members of the firm, date established, etc. This list is arranged alphabetically by towns and much other miscellaneous information of value is given, such as lists of insurance attorneys, adjusters, resume of the insurance laws, a showing of what special lines the companies write, short rate table and insurance organizations together with offices and addresses.

The company directory department gives a complete list of all companies licensed together with their financial statement, list of officers, field men, general agents, etc. General agents and field men are likewise cross indexed alphabetically for easy reference.

According to the "Record of Insurance in Kansas," the fire companies in 1937 collected \$13,306,571 in premiums and had losses of \$5,313,637. This compares with premiums of \$12,726,069 and losses of \$5,346,140 in 1936. The casualty companies had premiums in 1937 of \$10,346,815 and losses of \$3,823,537. These figures compare with \$8,574,218 of premiums and \$3,221,838 of losses in 1936.

To Write Participating

The Stuyvesant will shortly enter Kentucky and Tennessee. It plans to write participating policies in those states.

John A. Stevenson, executive vice-president of the Penn Mutual Life, has been elected a director of the Lumbermen's and Philadelphia National of Philadelphia.

Agents' Convention Set Week of Oct. 2

National Association Convention at the Hotel Statler in Boston

NEW YORK—Officers of the National Association of Insurance Agents announce that the week of Oct. 2 has been selected as the time for the 1939 annual meeting to be held in Boston, and that the Statler Hotel has been designated as headquarters.

There were a number of reasons for selecting that particular week. It was the only week in the early fall when the Statler Hotel could accommodate the convention, and the officers were anxious to hold it at a time when the weather would be pleasant there, as well as in New York for the many convention delegates who will visit the World's Fair, either en route to or returning from the convention.

Dates Will Not Conflict

So far as is known, these dates will not conflict with any other major insurance convention, nor with Fire Prevention Week, Oct. 9-15.

It is expected that the program will be conducted along the general lines of this year's meeting in St. Paul, with numbers of group sessions on Monday and Tuesday of convention week, and the general sessions on Wednesday and Thursday.

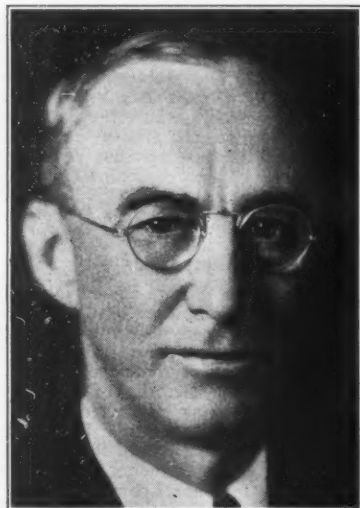
Paul Creagan Heads Western Loss Body

Paul Creagan of Security of New Haven was elected president of the Western Loss Association at the annual luncheon meeting in Chicago Tuesday. He succeeds E. R. Wilson, America Fore. Otto Voss, Firemen's, is the new vice-president, and V. L. Shaw, London & Lancashire, is secretary.

New members of the executive committee are Mr. Wilson, Harry Clark, Providence Washington and E. M. McDonald, St. Paul F. & M.

The nominating committee consisted of B. E. Moreau, Chicago, manager St. Paul F. & M.; Fred S. Schoeffler, Crum & Forster, and J. A. McClelland, Great American.

PARTICIPATE IN THE ILLINOIS AGENTS CONVENTION



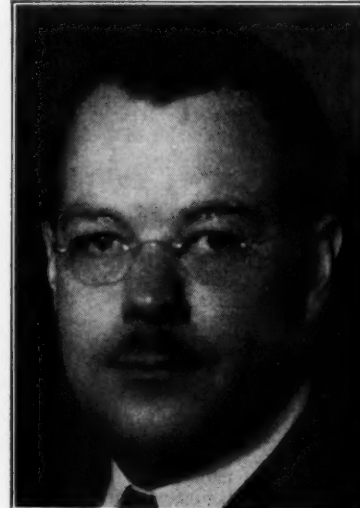
ERNEST PALMER, Springfield
Illinois Insurance Director



E. D. LAWSON, Chicago
Western Manager Firemans Fund



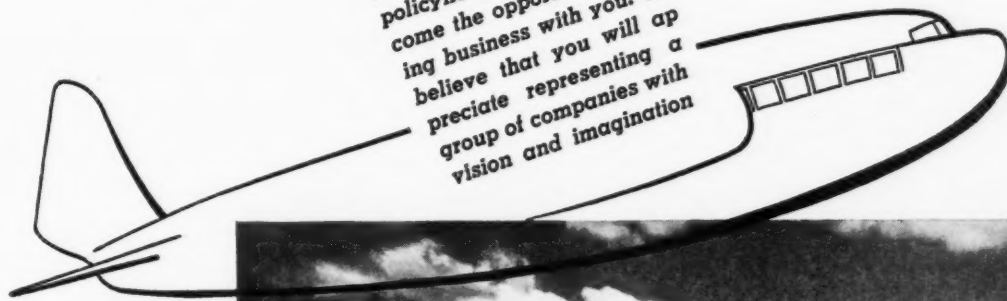
B. A. JOCHEN, New York City
Assistant U. S. Manager Eagle Star



H. K. SCHAUFFLER, New York City
Assistant Manager National Board

IMAGINATION

It was imagination that created the modern skyscraper from the small one story building. It was imagination that developed the airplane from the flying crate to the present clipper ship. It was imagination on the part of the founders of our companies—five of which have been in business over one hundred years—that enabled them to keep step with rapidly changing conditions and resulted in this strong group of stock fire insurance companies. Even today the present officers and directors are men with a wealth of imagination ever alert for new methods and better opportunities to serve their twenty thousand local agents throughout the United States and their millions of policyholders. We will welcome the opportunity of doing business with you. We believe that you will appreciate representing a group of companies with vision and imagination.



CRUM AND FORSTER MANAGERS 110 WILLIAM STREET, NEW YORK CITY

WESTERN DEPT. SOUTHERN DEPT. CAROLINAS DEPT. PACIFIC DEPARTMENT ALLEGHENY DEPT.
FREEPORT, ILL. ATLANTA, GA. DURHAM, N. C. SAN FRANCISCO, CAL. PITTSBURGH, PA.

UNITED STATES FIRE INSURANCE COMPANY ORGANIZED 1824 THE ALLEMANNIA FIRE INSURANCE COMPANY OF PITTSBURGH ORGANIZED 1868
BRITISH AMERICA ASSURANCE COMPANY, UNITED STATES BRANCH INCORPORATED 1833 RICHMOND INSURANCE COMPANY ORGANIZED 1836
THE NORTH RIVER INSURANCE COMPANY ORGANIZED 1822 WESTERN ASSURANCE COMPANY, UNITED STATES BRANCH INCORPORATED 1851
SOUTHERN FIRE INSURANCE COMPANY, DURHAM, NORTH CAROLINA INCORPORATED 1923 WESTCHESTER FIRE INSURANCE COMPANY ORGANIZED 1837

NEWS OF FIELD MEN

Hukill Is Joining Great American

Ralph W. Hukill of Norwood, O., who resigned as special agent of the Fireman's Fund group in southern Ohio, will act in a similar capacity for the Great American fleet in southwestern



RALPH W. HUKILL

Ohio, retaining his headquarters at Norwood. L. H. Wiggins of Columbus, who has handled this field, is appointed marine special agent for the Great American companies in Ohio with headquarters at Columbus. He has been with the Great American for 10 years, starting in the business in a local agency at Hillsboro. He has demonstrated his fitness for handling inland marine business and it is the desire, therefore, of the Great American management to strengthen its service in the state along that line.

Mr. Hukill is one of the best known field men of the state, being most loyal grand gander of the Blue Goose. He has been with the Fireman's Fund for some 18 years. He is a graduate of the Ohio Inspection Bureau and therefore is well grounded in rating and engineering service. His father, Fred E. Hukill, conducts an agency at Norwood, a suburb of Cincinnati, Ralph W. being a partner.

Kaga Is in Indiana for Royal Exchange

The Royal Exchange and Provident Fire announce the appointment of Don G. Kaga as special agent in Indiana. He succeeds M. B. Shaw, resigned. In earlier years Mr. Kaga was connected with the Cook County office of the Home, later being named a special agent in Illinois, alternating his field work with managerial service in the Illinois survey department. In 1932 he was transferred to Indiana as a special agent for the company, continuing to travel for the Home for two years, when he relinquished field work to specialize in loss adjusting. At the Northwestern University Mr. Kaga completed courses in commerce and insurance.

W. A. Shepler Resigns

W. A. Shepler has resigned as Indiana state agent of the Norwich Union, effective Jan. 1. K. S. Ogilvie, general agent of the western department at the New York office, will be in Indianapolis all of this week, looking over the field and interviewing a number of prospects for the position. Mr. Shepler has made no announcement of his plans.

Illinois Blue Goose Has a Big Roundup

PEORIA, ILL.—More than 150 attended the Illinois Blue Goose meeting in Peoria this week. The meeting was one of the most successful in the organization's history, having one of the largest turnouts held the night before the Illinois Association of Insurance Agents convention. It was an open night with members permitted to bring guests. Following the dinner a fine program of entertainment was provided with a number of vaudeville acts. Most of the officers were present. Most Loyal Gander John Chickering, agency superintendent of the Sun in Chicago, presided. James E. Guy, manager automobile department America Fore, was chairman of the entertainment committee.

Golf trophies were awarded to the winners in the tournament. A plaque going to the top qualifier was presented to N. A. Young, Rhode Island. Runners up received individual trophies. The latter included R. M. Beatty, Western Adjustment; G. L. Hubbard, Boston, and R. H. Gregg, Crum & Forster; C. J. Bitzer, Fireman's Fund; L. J. Eppler, Firemen's of Newark; L. F. Braman, Security of New Haven, and Dyer C. Putnam, National of Hartford.

Henry F. Tuerk, vice-president and secretary Illinois Fire, had charge of the arrangements for the meeting and received many encomiums on the work he did.

Mr. Guy, in addition to presenting the prizes, acted as master of ceremonies. There were 200 present.

Honor Taylor and Rushin

Members of the Virginia Field Club presented Herbert C. Taylor a watch before he left Richmond to enter upon his new duties as assistant general adjuster in the New York office of the Home. Mr. Taylor has long been state agent in Virginia with Richmond headquarters. He is a former president of the Virginia Field Club. R. F. Rushin, long special agent under Mr. Taylor, recently transferred to the Philadelphia office of the Home, was presented a traveling bag. D. L. Coulbourn, state agent National of Hartford, made the presentation.

New Smoke & Cinder Officers

PITTSBURGH—The following officers were elected by the Smoke & Cinder Club at its annual meeting: President, C. M. Hastings, Firemen's; vice-president, Frank Meisel, North British & Mercantile; secretary, T. V. Laird, Great American; treasurer, George Heldmann, Hartford Fire.

The membership committee includes G. W. Feller, North British; T. B. Ogburn, Jr., North America, and Robert Crossman, Atlas.

Ohio Speakers Group Meets

W. H. Witherspoon, Aetna Fire, discussed "Merchandise and Furniture and Fixture Form" at the meeting of the Stock Fire Insurance Speakers Association in Columbus, O., Monday. A. E. Bulau, Home, talked on "Public Relations Through Fire Prevention."

Will Address Anthracite Club

W. W. Hartman, assistant manager middle division Middle Department Rating Association, will speak before the Anthracite Field Club at the Hotel Sterling, Wilkes-Barre, Pa., Nov. 29. He has been with the Middle Department since 1920, first as an engineer, then head of its sprinklered risk department and now assistant manager in charge of rating. He will speak on the future of sprinklered risks and methods of rating. He

will also make a report concerning losses on all types of insurance carriers in the recent New England storm.

Georgia Field Men Elect

The Georgia Field Men's Conference has elected Davis B. Rives, American, president; C. R. Wilcox, Home, vice president; Bockover Toy, Scottish Union & National, treasurer, and W. Paul Willis, America Fore, secretary. The executive committee consists of W. E. Stroud, Aetna Fire; Henry M. Ladage, Travelers Fire; Dana Kilcrease, Fidelity & Guaranty Fire; W. A. Smith, Fidelity & Guaranty Fire, and A. F. Irby.

Raynsford to New Orleans

A. F. Raynsford, special agent of the Commercial Standard in the Houston, Tex., territory, has had southern Louisiana added to his field and has moved his headquarters to New Orleans.

Nebraska Initiates Five

Five goslings were initiated by the Nebraska Blue Goose at a meeting in Omaha. Grand Welder R. A. Kenzel was present as well as ganders from adjoining ponds.

E. A. Reed, St. Paul Fire & Marine, was elected welder to fill the vacancy caused by the resignation of Paul Barr of the Hanover, who has been transferred to Missouri. Mr. Barr and R. R. Hayes, Crum & Forster, who has been transferred to Oklahoma, were presented with gifts.

Missouri Meeting Nov. 22

JEFFERSON CITY, MO.—The recently created special committee that is

to handle the Business Development and education program in Missouri of the Missouri Fire Underwriters will meet here on Nov. 22 to perfect the B. D. organization in the state and arrange meetings to be held in the early part of 1939.

Carolina Blue Goose Meets

GREENSBORO, N. C.—A fall meeting of the Blue Goose was held here. John F. Satterlee of Columbia presided. A business session was held in the afternoon and a banquet and dance in the evening. About 70 field men from North and South Carolina attended.

"Vincent Day" in Portland

PORTLAND, ORE.—The November meeting of Oregon Blue Goose was designated as "Frank Vincent Day" in tribute to Frank O. Vincent, transferred to Denver by the Pacific National.

Gregory to Florida Post

E. B. Gregory, an examiner in the Atlanta office of the America Fore, has been appointed special agent of the Fidelity-Phenix, American Eagle and First American in Florida, with headquarters in Tampa.

Plan Iowa Blue Goose Party

DES MOINES—The Iowa Blue Goose will hold its annual fall party here Dec. 10, with a dinner-dance and bridge. F. C. Meister, Travelers Fire, and Mrs. A. S. Holm, president of the women's auxiliary, are entertainment chairmen.

The Ohio Fire Prevention Association will inspect Tiffin Jan. 18 and Bellevue March 1.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

BROWN, CROSBY & CO. DINNER

Brown, Crosby & Co., New York brokers, gave a dinner attended by 90 members of the staff, inaugurating a 25-year club composed of those who have been associated with the office for 25 years or more. Among those so honored were E. U. Crosby, former president of Brown, Crosby & Co., and past president of the New York Insurance Brokers Association, also Henry I. Brown, chairman of the board and prominent in insurance in both New York and Philadelphia and H. P. Marshall, president of the organization.

MUST USE REGULAR FORM

W. J. Ward, general manager New York Fire Insurance Rating Organization, has notified companies that use of any mortgage clause on fire policies in the state other than the form approved by the New York insurance department in the standard clause is in violation of the insurance law. Manager Ward states that the insurance department finds that printed forms covering real estate in New York City and vicinity contain first mortgage clauses other than the standard clause approved by the department.

PEARL OFFICIAL HERE

E. H. Minion, manager of the fire department of the Pearl Assurance, is visiting the head office in New York.

RUTTER ON U. S. VISIT

Sir Frederick Pascoe Rutter, governor at the head office of the London & Lancashire in London, arrived in New York for a short visit to the United States. A. S. Rogers, general manager at the head office, has been in this country for some weeks. He visited Canada and then went to Chicago with United States Manager Gilbert Kingan of Hartford, where they had W. W. Gilmore of San Francisco, Pacific Coast manager, meet them there and a conference was held in the office of C. Claussen, western

manager. Vice-president F. J. Gobbie of the London & Lancashire Indemnity also attended the conference. Sir Frederick has visited the United States a number of times and is well known to leading executives.

PAY TRIBUTE TO ARNOW

Superintendent Pink of New York delivered the eulogy at the unveiling of the monument to the late Arthur Arnov at Mt. Zion Cemetery, Maspeth, L. I., Nov. 13. Mr. Arnov was largely responsible for the organization of the General Brokers Association of New York City, and served as its president for a number of years. He also held membership in the Brooklyn Brokers Association, and frequently acted as spokesman for the two bodies when insurance legislation was pending at Albany.

LOSSES FOR TEN MONTHS

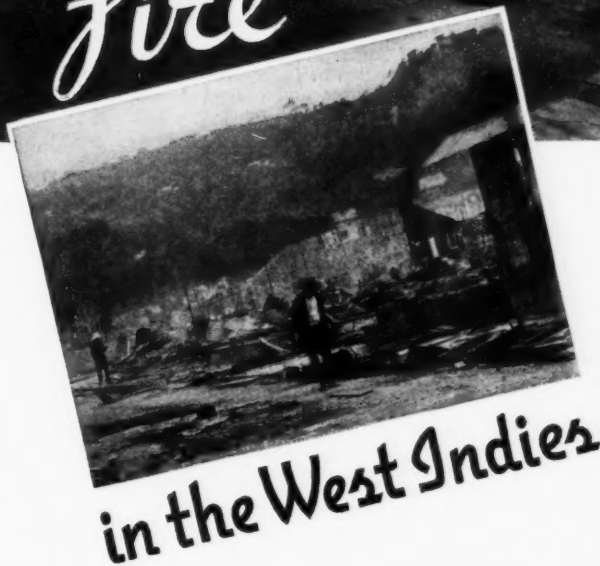
Though the number of losses handled by the committee on losses and adjustments of the New York Board for the first 10 months was fractionally less than for the corresponding period of 1937, the insurance involved was greater by \$0.45 percent, the 1937 figures being \$1,702,159 and those for the first 10 months of this year, \$2,560,956.

Adjusted losses in the 1937 period, Secretary E. C. Niver reports, totaled \$1,804,251, while those for this year were \$2,553,218, an increase of 11.70 percent as to number and 41.58 as to amount.

Death claimed J. N. S. Brewster, Jr., 49, president of the New York City brokerage firm of Brewster, Badeau & Co., of New York City, at his home in Elizabeth, N. J., Nov. 13. He had been in the insurance business for a number of years.

R. R. Martin on Coast

R. R. Martin, U. S. manager of Atlas, is visiting the coast branch of the company.



When, as here pictured, an entire township in the West Indies was practically destroyed by a devastating conflagration, Royal-Liverpool service facilities were indeed challenged.

Seventeen blocks of commercial buildings were destroyed. Only a bank and two small shops were left standing. The adjustor met the challenge of travel obstacles by taking four successive steamers from point to point to reach the scene with the least possible delay. On arriving he at once set up a claim settlement office where the unfortunate sufferers were promptly and fully indemnified.

This demonstration recalls the impressive records made by Companies of the Royal-Liverpool Groups following the Chicago, San Francisco and Boston fires—to name but three historic conflagrations which established, beyond question, the service ideals and loss-paying dependability of the Royal-Liverpool Groups.

This is No. 15 of the series, "Round the World with the Royal-Liverpool Groups."

ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

Illinois Agents in Session at Peoria

(CONTINUED FROM PAGE 3)

tion is working on a similar plan from a different angle than California.

A questionnaire was sent to the membership regarding the safe driver reward plan as well as other merit rating plans for automobile insurance. The replies, he said, were overwhelmingly against any change in the present plan for automobile writing and the members were particularly opposed to the safe driver reward plan. However, now that the safe driver reward plan is in effect in Illinois he recommended that it be accepted. He expressed the hope that out of this attempt to adjust a perplexing automobile problem some plan will be evolved that is more acceptable.

Business Development Program

President Jennings said that much has been done in the way of cooperating in the Business Development program. He said there never has been a time when companies have been placing so much useful material in the hands of agents for sales purposes. Many of the large companies and the National Board are conducting extensive advertising campaigns in which they stress the importance of the agents.

President Jennings said that the legislative committee is in complete accord with the surety companies that are endeavoring to secure proper application of the Illinois insurance code to London Lloyds that have long been the beneficiaries of preferential treatment.

He said that the legislative committee will welcome any constructive suggestion that will improve the quality of agents, eliminate the part time producer and raise the standards.

On Wednesday morning there was a rural agents breakfast conference with Mark I. Hall of Belvidere, presiding. At 10 o'clock Wednesday morning the local board conference started with J. J. Beattie of Rockford presiding. D. V. Moody of Elgin, in speaking at the local board conference, said that the purpose of trying to eliminate part time agents is not to reduce competition but to raise the standards of the business. He thinks, therefore, that all should work for legislation to enact stricter licensing laws and then there should be an adoption by the state association, supported by all full time agents, of a plan similar to the California guiding principles project. This, he said, has been very successful in California and the state association there was able to get the signatures of a large number of companies and general agents. Delegates of the Wisconsin association, he said, have had two meetings with the California people and the former are drawing up the Wisconsin plan. The Michigan association, he said, has made definite progress on a similar course.

SUNDLOF AT RURAL MEET

At the rural agents' conference Fred W. Sundlof of Chicago, special agent Hartford Fire, said there is no question but that the wide awake agent who makes a study of his business is a company's greatest asset. The rural agent particularly, he said, needs to keep informed and up to date. The companies, he said, realize the needs in the rural field and are doing everything they can to assist by placing at the disposal of the rural agents simple instructions, the finest type of contracts and up to the minute coverages.

He spoke about the comprehensive automobile policy, referring especially to the broad form towing endorsement which is issued at a cost of \$3. The automobile clubs usually charge \$10 for this service. The stock companies under this plan, he said, do more for their policyholders on the road than the motor clubs.

There have been some recent important form changes, church, dwelling, school, theater, unearned premium endorsement and vacancy and unoccupancy endorsement. The dwelling class, he said, effects 75 percent of the business and is, therefore, highly important. The unearned premium endorsement, he said, is an effective means of writing term business which protects the buyer's outlay of premium and is important to the larger buyer who wants to take advantage of the term rule. Should a loss develop in the early days of his contract he will recover most of the premium that he paid. The cost is 50 percent of the rate.

As to builder's risk, he said, it is called the builder's risk completed value form and provides protection for the full cost of the building from the inception date of the contract, the rate being figured on a basis of 55 percent of the total value involved. The going rates applicable to buildings apply. This, he said, will do away with the reporting contract.

Extension to Outbuildings

So far as the dwelling form is concerned, the radical changes are the extension of 5 percent of insurance applying on the dwelling to the outbuildings and an extension of 10 percent of the household furniture to cover property while in outbuildings.

The term rule on public properties is quite a feature and permits the budgeting of insurance for this type of structure, which is welcomed by school boards. He said that it is important to call on members of the school boards, keeping acquainted with them and discussing insurance at every turn. The mutual solicitors do this.

FARM TRACTOR

There is a growing demand, he said, for farm tractor coverage. The Farm Bureau coverage, he understands, is not extended beyond the farm. Since the advent of rubber tire wheels, there is a tendency to take tractors from farm to farm. There is a demand not only for fire and tornado coverage, but theft as well. A tractor can be covered for theft, the commercial theft rate being 35 cents and all others 10 cents.

The stock company price for grain certificates is 75 cents, the Farm Bureau 50 cents. The stock companies pay the agents 25 percent commission, the bureau has a 50-cent policy fee. The net result is still in favor of the Farm Bureau, he said, and the only argument for the stock agent is the difference in type of carriers and the service that the agents are able to render.

For the last two years, he said, there has been a widespread epidemic of sickness among horses, known as sleeping sickness. The demand for protection has been great.

A recent statement from the Illinois insurance department shows that insurance companies pay 8 percent of all the taxes in the state and stock companies pay the bulk.

Mr. Sundlof said, "Study your accounts, prepare the insurance setup, be sure of yourselves and your troubles will soon disappear."

Swarm on Automobile Insurance

C. A. Swarm, head of Swarm Insurance Agency of Decatur, Ill., in his talk at the rural agents forum said that an agency overlooks a great opportunity if it does not add automobile and general casualty lines to its list. In the villages, he said, there are many lines of insurance that do not fit into the picture but automobile insurance is one that is needed by anyone who owns or

drives a car. It offers an avenue of contact, he said, for agents that is not found in others. A fire policy renews on the three or five year basis and, therefore, the agent has little opportunity to contact these assured because the policy runs for a considerable time. The farmer owning a pleasure car or truck offers an agent increased premium income and also gives him a chance to contact him more often and probably interests him in other kinds of insurance.

Claim Service Important

Prompt and efficient claim service is all important, he thinks, in developing automobile insurance especially in the country districts. Agents can render their policyholders or prospects a real service by sending an application for a state license and the new driver's license. There are only about 40 percent of the automobiles that carry liability and property damage insurance. Every new car owner, he continued, is a prospect for some form of automobile insurance. A majority of the cars purchased in the villages or on the farms are bought on the finance plan. This policy secured through the finance arrangement expires within 12 to 18 months.

Mr. Swarm said that an insurance agency, in order to serve its community, should be practically a department store. The agent should help his policyholders plan their whole insurance program.

He sees a definite trend to curtail the retailing of insurance. This is particularly true with automobile insurance. Some assured are purchasing their insurance by mail and dealing, therefore, at long distance with their companies. Therefore, if the agency system is to prevail, Mr. Swarm said that every agent should render the highest type of service.

R. W. Forshay's Address

R. W. Forshay of Anita, Ia., member of the National Association of Insurance Agents executive committee and chairman rural agents committee, represented that organization, taking up in some detail the federal projects whereby local agents have been able to get the insurance by considerable pressure. He referred to the Home Owners Loan Corporation, United States Housing Authority, etc., but sees danger in some of the bureaus like the Resettlement Administration placing all its business with non-commission mutuals, the Federal Land Bank becoming a self insurer to a certain extent. The Federal Crop Insurance Corporation, he thinks, has a good deal of latent danger in what it may do.

Mr. Forshay, in dwelling on farm insurance, said that it is necessary to follow a line that experience has shown to be safe. When a departure is made from it there is always disaster. The Farm Underwriters Association, he said, has been very helpful. A most important problem facing the organized agents, he said, is a careful and deliberate study that must be made by all concerned in bringing out of chaos the present situation relative to agency licensing laws.

He spoke of the casualty business, its great and rapid growth over a short period and the lack of cooperation that is found with agents along certain lines. He congratulated the National Board on its up-to-date advertising and attempts to tell the real story of stock fire insurance.

C. W. Heyl's Address

At the banquet W. H. Jennings, Jr., president, introduced the toastmaster, E. D. Lawson, manager of the western department of the Fireman's Fund, who was in his finest form. Insurance Director Ernest Palmer spoke but the two main banquet speakers were Vincent Cullen, president National Surety, and Attorney Clarence W. Heyl of Peoria. Mr. Heyl served as president of the Peoria Bar Association and later president of the Illinois State Bar Association. He is now a member of the state

Ten Months Losses for the U. S. Given

NEW YORK — Fire losses throughout the country in October, according to the National Board's compilation, totaled \$24,797,624, 6 percent greater than those for the preceding month, and an increase of 17.5 percent over the October, 1937, record. The addition of the October figures advances to \$240,633,555 the losses for the first 10 months, exceeding by almost \$10,000,000 those suffered in the same period last year. The 10 months' figures are:

	1936	1937	1938
Jan. \$	27,729,930	\$ 25,069,895	\$ 27,676,337
Feb.	30,909,896	28,654,962	26,472,626
March	29,177,406	29,319,029	29,050,968
April	25,786,335	26,663,854	25,616,112
May	21,479,380	21,437,739	22,917,577
June	20,407,485	19,524,765	19,473,617
July	22,357,020	19,812,485	20,434,688
Aug.	21,714,495	19,767,314	20,821,184
Sept.	20,413,537	19,349,756	23,372,528
Oct.	20,439,136	21,097,670	24,797,624
Tot.	\$240,415,120	\$230,692,469	\$240,633,555

board of law examiners. He represents 40 insurance companies and has an office equipped for all adjustment service. His address was a patriotic one most ably composed and well presented. He traced the history of the United States government through its many crises. He stressed the fact that this form of government is representative and not purely democratic. It was intended to be all along a responsible representative government.

F. H. Colehour of Rockford, in the local board forum, spoke on the necessity for membership in local boards and told something about membership requirements. Organization, he said, is the order of the day and it is a serious mistake when those engaged in a specialized business like insurance do not join their local organization. In the Rockford Insurance Board, he said, the membership consists of senior, junior and associate memberships. Senior memberships are held by the individuals representing the agency. Juniors are associates, solicitors and other persons who are actively engaged in business for an agency holding senior membership. Associate members are those able to secure junior membership but who otherwise meet the requirements. Every senior and junior member shall be entitled to a vote. He spoke of the benefits that have been derived from the local organization. It has been able to contact a number of business, civic and other societies in Rockford. He said that after the regular business meeting an interesting speaker is introduced who talks on timely topics.

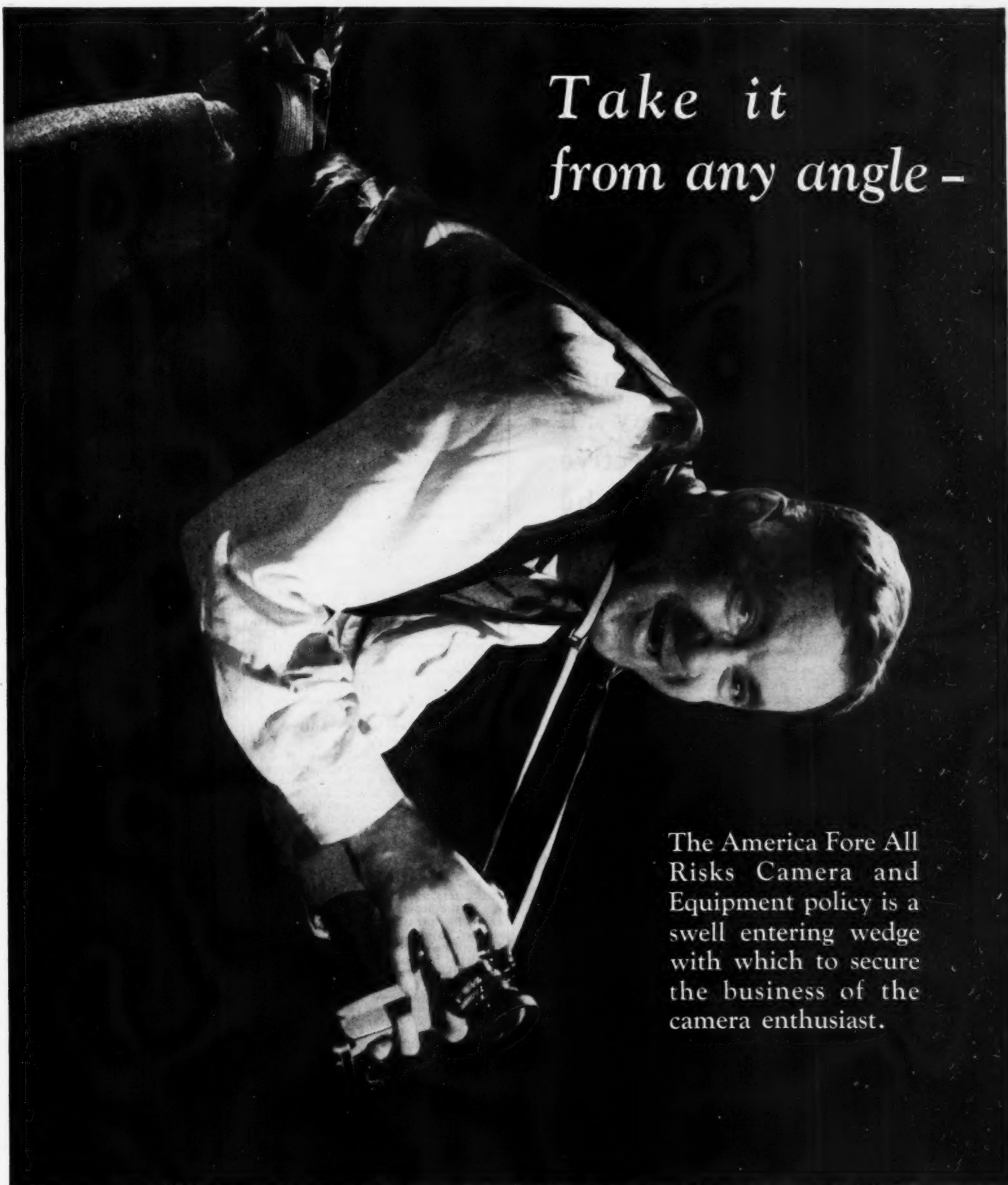
Seventeen members of the Springfield local board, headed by Lawrence Head, president, attended the Peoria meeting.

Says Finance Situation Muddled

R. G. Waters, casualty commissioner of Texas, in addressing the American Finance Conference in Chicago last week, discussed the relationship of finance companies to the insurance transaction. This will be one of the important subjects for discussion at the forthcoming meeting of the National Association of Insurance Commissioners in Des Moines, he said, and possibly from that meeting may come a more definite attitude towards the problem on the part of the commissioners.

The auto finance-insurance situation is a muddled one, according to Mr. Waters. Much trouble has come from failure of finance companies to acquaint buyers of cars with the terms of their insurance contract. He took the position that finance companies are not entitled to commissions on the insurance.

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FRANK A. CHRISTENSEN, Vice-President

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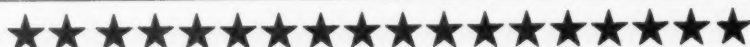
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ATLANTA

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AS SEEN FROM CHICAGO

NEW HOGLE AGENCY OFFICIALS

G. J. B. McGowan has been elected president and treasurer of the J. M. Hogle agency of Chicago and M. E. Driscoll becomes vice-president and secretary. There is no change in company connections and representation. The agency will move Dec. 1 into new offices in A-738-40 Insurance Exchange.

COMMUNITY CHEST DRIVE

In their effort to help the Chicago Community Fund raise \$3,550,000 for its 1939 budget, insurance men of the city have contributed \$28,162 the first three weeks of the campaign. This announcement came from Arthur Croxson, vice-president Rollins, Burdick, Hunter Company, chairman of the insurance group. He and his workers in insurance are aiming at a quota of \$77,000.

CRUM & FORSTER MUSTER

Officials of the Crum & Forster group were in conference at Chicago this week, with departmental heads from all sections, the first such gathering ever held by the organization. The meeting afforded opportunity for the production chiefs to become better acquainted with the executive officers and with one another, and also for each to learn headquarters and field problems and how those may best be met.

Those on hand from the New York headquarters included: President J. Lester Parsons; Vice-presidents Harold Junker, D. G. Wakeman, H. J. Wyatt and Secretary E. A. Dunn.

Regional offices were represented by: Fred M. Gund, S. H. Quackenbush, J. W. Gregory, W. A. Seeley of the western department and R. I. Read, Chicago department; J. H. Hines and H. F. Hines, southern department; G. W. Unverzagt, Allegheny department; J. F. Glass, Carolina department, and W. S. Jackson, Pacific Coast department.

THE ALDERMAN AS AN AGENT

John J. Coughlin, the picturesque alderman from the first ward of Chicago, who died the other day at the age of 78, had operated a class 1 agency in Chicago for many years. For the past two years, while Mr. Coughlin had been in failing health, most of the details of the agency work had been conducted by Marion Christensen.

Mr. Coughlin controlled a substantial volume of insurance, including a share of the coverage on many of the loop structures. He never constituted an issue in the business. He never sought to exert the pressure that he could have exerted to get insurance. He was content with a share here and a share there and what he took never seemed to cause deprivation to a competitor.

VERNOR HAS BUSY WEEK

At a dinner Monday in Yorkville, Ill., Richard E. Vernor, Western Actuarial Bureau, discussed "Fire Prevention," with regard to the rural area and the small communities. He will speak on "An Industrial Hot Box" before the "Comers Club" of the Sheldon School of Salesmanship, Thursday evening. He will speak on "Fire Prevention" before the Foremen's Training School, conducted by the St. Louis Safety Council, Friday evening.

FAREWELL LUNCHEON FOR SANDERS

A farewell luncheon was given at the Union League Club in Chicago for L. L. Sanders, who has retired from active duty as superintendent of the automobile and inland marine department of the western department of the National Fire group, due to ill health.

The luncheon was attended by Mr. Sanders' many friends of the western department with Manager George H. Bell presiding. A telegram of good wishes was received from President F. D. Layton in behalf of Mr. Sanders'

friends at the home office. Following talks by Mr. Bell and assistant managers, Comptroller Walter H. Roadifer presented Mr. Sanders a wardrobe traveling bag on behalf of his associates.

Mr. and Mrs. Sanders are leaving for an extended stay in southern California.

A large delegation from the Automobile Superintendents Club of Chicago was present at the train when Mr. and Mrs. Sanders departed for southern California, presenting Mr. Sanders a traveling clock and his wife a bouquet.

ILLINOIS ANNOTATED CODE

The committee that has been working on the annotated Illinois insurance code will complete its work so that the books can be delivered the first of the year. Henry S. Moser, who is chairman of the Illinois State Bar Association section on insurance law, has directed the work. Each member of the committee was assigned a definite section. The entire committee would meet from time to time and discuss each one's presentation. Chase M. Smith of the National Retailers Mutual Fire and Frank Young, special deputy Illinois insurance department, are members of the committee.

The book will have over 1,000 pages. It is being published by the Foundation Press, 11 South LaSalle street, Chicago, and the sale price after publication will be \$13. It will contain the full text of the Illinois insurance code, a statement of the source of each section, important changes in the previous Illinois law, comparison of each substantive provision with the corresponding statutory provision of all other states, with appropriate references to all other state statutes, discussion of several thousand of the important decisions not only in Illinois, but throughout the country, dealing with the subject matter of each section of the code. It will also contain the full text of the agents and brokers act, the county and township mutual act, non-profit hospital service plan act, and the property life insurance act.

SHARP ISSUE IS MADE

There is considerable controversy among members of the Chicago Board and especially companies that have a large class 2 business as to what the effect may be if the proposed new rule is adopted making all class 2 agents within the Chicago corporation limits brokers. There would be two classes of producers within the corporation limits, class 1 and brokers. The top commission is proposed of 32½ percent for preferred business and there would be a 10 or 12½ percent over-riding commission allowed. Some companies have a large and choice class 2 business which may be jeopardized in case the new rule goes through if there be any chiseling following. Most of the class 2 agents now do not write their policies, this being done at the general office.

In the comment on the proposed rule, the point is made that a broker or other producer cannot afford to solicit this small household insurance at less than 25 percent commission because of the small premium involved. If, therefore, the commission is reduced to 20 percent the argument is that many people now insured will not carry insurance because they will let it drop at expiration unless they are solicited. It is declared that in a large city like Chicago the production of household furniture insurance involves a cold canvass often in the evening when the man is at home. The question arises, therefore, as to public policy. If it paid a producer to go after this business at the lower commission then the rates might be said to be too high. If, therefore, the object of insurance is to get as many people covered as possible and thus give people protection against loss the present rates and commissions are justified. The whole issue is one that is being carefully considered from every aspect.

Whisky Loss Is Set at \$2,000,000

(CONTINUED FROM PAGE 3)

and considerable whisky in cases in the case goods house.

This is the third distillery fire in Kentucky in a period of 4½ years. In the spring of 1934 the James E. Pepper division of Schenley Products Co., Lexington, Ky., including warehouses and many thousands of barrels and many cases of whisky, burned, with loss of \$2,655,000 on whisky alone, and last spring Old Kennebec Distillery, at Frankfort, Ky., burned with insured loss of \$122,795, although there was no whisky loss in the latter fire.

None of these fire losses have been in sprinklered plants.

Adolph Reutlinger, president of Liberty Fire of Louisville, controlled the Glenmore line. There was no insurance on the buildings, which were mainly frame, metal-clad. There was a \$2,500,000 general cover contract on contents, as well as \$500,000 specific insurance on the contents of warehouse B and the same amount on warehouse F, and \$75,000 on machinery and equipment in the bottling house.

How Insurance Is Divided

The participation in the general cover contract is as follows:

Aetna Fire, 5 percent; Continental, 10 percent; Glens Falls, 6¼ percent; Great American, 6¼ percent; Hartford, 10 percent; Home, 10 percent; North America, 10 percent; L. & L. & G., 5 percent; Niagara, 5 percent; Royal, 5 percent; Phoenix, London, 5 percent; Phoenix, Connecticut, 6¼ percent; St. Paul F. & M., 6¼ percent; U. S. Fire, 10 percent.

The specific insurance on Warehouse B was divided:

Commerce, \$31,250; Continental, \$50,000; Hartford, \$50,000; Home, \$50,000; L. & L. & G., \$25,000; Niagara, \$25,000; North America, \$50,000; New Hampshire, \$25,000; Old Colony, \$16,250; Phoenix, England, \$25,000; Phoenix, Connecticut, \$31,250; Providence, Washington, \$15,000; Royal, \$25,000; St. Paul, \$31,250; U. S. Fire, \$50,000.

The specific insurance on Warehouse F, was divided:

Commerce, \$31,250; Continental, \$50,000; Hartford, \$50,000; Home, \$50,000; North America, \$50,000; New Hampshire, \$25,000; L. & L. & G., \$25,000; Niagara, \$25,000; Old Colony, \$16,250; Phoenix, England, \$25,000; Phoenix, Connecticut, \$31,250; Providence, Washington, \$15,000; Royal, \$25,000; St. Paul, \$31,250; U. S. Fire, \$50,000.

Contents in C. B. were insured:

Continental, \$25,000; Great American, \$12,500; North America, \$37,500.

The building loss, not insured, is estimated at \$350,000.

Fire insurance examiners in Chicago recall that about 1½ years ago the Glenmore Distilleries put on a program one evening for the Fire Insurance Examiners Association of Chicago. Moving pictures were shown of the operations at the plant that was destroyed in the fire, talks and demonstrations were made and at the end of the evening samples were distributed.

Palmer's Finance Ruling Less Severe

(CONTINUED FROM PAGE 4)

the state for or by the insuring company.

"8. Certificates issued under master policies or policies issued to purchasers shall be issued only in accordance with rates, rules and other filings on record with this department.

"9. Insurance companies or their agents shall have as part of their records evidence to show that purchasers

have actually received proper payment of returned premiums or losses.

"10. Mutual companies, reciprocals, or companies issuing participating policies shall pay to car purchasers earned dividends as their interests may appear.

"11. If restrictive clauses such as a 2 percent monthly reduction clause, deductible pilferage clause, or ¾ value clause having been regularly filed by the insuring company are made to apply under any policy or certificate the rate credit filed for such clause or clauses shall be allowed the purchaser and purchaser's copy of certificate or policy shall show the net rate and premium.

"Information in the hands of the de-

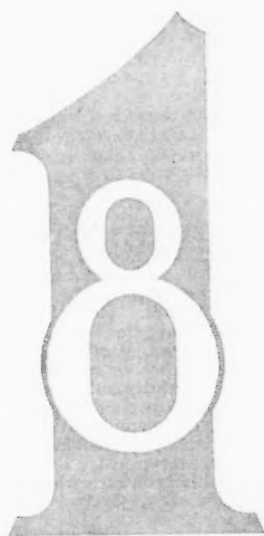
partment discloses many cases of deliberate rebating by agents and brokers, often with the full knowledge and consent of companies. Penalties will be imposed for these violations of the Illinois insurance code and all necessary steps will be taken to assure discontinuance of this practice.

"Finance business represents one-half of the fire, theft and collision premiums written in the state. The expenses of companies in handling this business were found to be excessively high and, as all rates are composed of but two factors, losses and expenses, finance business cannot be permitted to influence all automobile rates adversely.

Therefore, for the present and until the department accumulates more comprehensive statistics on expenses, automobile fire, theft and collision rates in the state shall be predicated upon the loss experience as reported by companies, with an expense factor of 40 percent to cover company expenses of every character except taxes."

Foreign Association Dinner

NEW YORK—W. H. Koop, president of the American Foreign Insurance Association, presided at its annual meeting and dinner Tuesday evening. Officials of some 30 member companies attended.



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Then we're thankful for an agency plant whose appreciative support has made

1938 both profitable and pleasant for us.

And, above all, we're thankful for our friends—for our old friends, whose friendliness seems to increase as the years roll by, and for the new friends whom the days and weeks of 1938 have brought us.

Yes, we're truly thankful.

Sincerely yours,

■ OHIO FARMERS ■ INSURANCE COMPANY

Chartered 1848

LEROY, OHIO

Elections Rive the Commissioners' Association

(CONTINUED FROM PAGE 5)

The only member of the executive committee whose position appears to be in doubt is Daniel of Texas. The greatest interest exists in the choice that Governor-elect O'Daniel of Texas will make so far as the insurance department is concerned. Judge Daniel is said to have a fair chance of being reappointed.

The other members of the executive committee are apparently on the lee side. They are: Gough, New Jersey; Holmes, Montana; Moor, District of Columbia; Lovejoy, Maine; Robertson, Missouri; and Williams, Mississippi.

THE NATIONAL UNDERWRITER queried its correspondents in the various states in which elections were held last week as to the possible effect upon the office of insurance commissioner and the results are presented herewith:

BOWEN'S DAYS NUMBERED

A Republican will be appointed superintendent of insurance in Ohio soon after the first of the year when John W. Bricker, Republican, who was elected governor, takes office. Bricker will succeed Martin L. Davey, Democrat, who has served two terms, and the new superintendent will take the place of R. L. Bowen, Cleveland. Mr. Bowen has been quoted as saying he would serve as superintendent under no one except Davey. Mr. Bowen sold Davey much life insurance when he represented Northwestern Mutual Life in Cleveland.

The superintendent serves at the pleasure of the governor. While most of the employees of the department are under civil service, a number of appointments are to be made by the new administration, notably superintendent, deputy superintendent, assistant to the superintendent and finance officer, as well as confidential secretaries.

Among those being mentioned as possible successors to Mr. Bowen is Homer Trantham, secretary Insurance Federation of Ohio. It is understood Mr. Trantham is non-committal. He is an attorney and has been closely associated with insurance legislation, litigation and other phases of the business for a number of years. He has long been active in Republican politics and had a prominent part in the campaign just closed. Others mentioned are T. M. Miller, former assistant attorney-general, and Earl Stewart, former assistant superintendent.

PEW'S CHANCES ARE SLIM

DES MOINES — The election in Iowa left the future status of Commissioner Maurice V. Pew in doubt, as the Republican party won control of the state offices and a complete shakeup is expected to follow.

Mr. Pew was appointed by Governor Kraschel, Democrat, after the legislature completed its work last May and his appointment was not confirmed by the senate. Appointments to fill vacancies expire 30 days after the legislature convenes, if not approved by previous legislature, as here.

The insurance commissioner appointment is for a four-year term.

Mr. Pew, former first deputy, took over the position following the resignation of Ray Murphy to join the Association of Casualty & Surety Executives.

Mr. Pew will be the host commissioner at the forthcoming convention here of the National Association of Insurance Commissioners.

ARTHUR HAM IS LAME DUCK

Arthur J. Ham of Wyoming, who has taken an active part in the Western Conference of Insurance Commissioners, will be one of the officials to be decapitated as a new governor was elected in

that state, whose political views Mr. Ham has not espoused. Mr. Ham has been a very useful man in his office. He is secretary of the western commissioners' unit.

MCCORMACK MAY GET BACK

NASHVILLE, TENN. — With the election of Prentice Cooper as governor of Tennessee, the naming of the insurance commissioner again reverts to E. H. Crump of Memphis, political leader in his section and prominent insurance man. It is taken for granted that James M. McCormack will be appointed as commissioner. Mr. McCormack served in that position until Gov. Browning and Mr. Crump had a falling out. Browning removed Mr. McCormack from office and appointed J. W. Britton, the incumbent.

BAKES' HEAD TO FALL

BOISE, IDA. — With the election in Idaho of a Republican governor to succeed a Democrat, it seems certain that Warren H. Bakes will be removed as insurance director. The head of the insurance department is appointed for a two-year term, coincidental with the tenure of the governor.

D. C. Neifert was director of insurance for about five years, from 1923 to 1928, and it may be that Mr. Neifert will again be appointed to this office.

AX TO FALL ON GOODCELL

SAN FRANCISCO — Election of Culbert L. Olson, Democrat, to succeed Frank F. Merriam, Republican, as governor of California causes fear that radical insurance measures may have strong support.

Olson is a liberal with suspected extreme ideas. He is reported to be strongly in favor of liberalizing the state old age pension system. According to several leaders in southern California, it is reported that he is inclined to favor compulsory automobile liability insurance and possibly a state fire insurance fund for insuring state properties.

Rex B. Goodcell was appointed insurance commissioner in July to suc-

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ceed S. L. Carpenter, Jr., who resigned. Being appointed in an interim year, Mr. Goodcell was not confirmed by the senate for a full term and, therefore, his term will expire early in the spring—as the unexpired term of Mr. Carpenter. There has appeared the beginning of a movement by insurance organizations to have Olson retain Commissioner Goodcell. However, this is considered highly improbable. Among those mentioned for the job are McCann Davis, former manager Insurance Brokers Association of San Francisco, and Leon Donihue of Alameda county.

DUNN'S AUSPICES FAVORABLE

PIERRE, S. D. — The appointment of the insurance commissioner in South Dakota is for a period of two years, and the term of P. J. Dunn runs until July 1, 1939. Mr. Dunn is a resident of the same home town of the newly elected governor, Harlan Bushfield. Mr. Dunn has indicated pleasure at the election of Bushfield.

Bushfield successfully conducted as state chairman the campaign two years ago. At the time the Republican governor, Leslie Jensen, was elected the then state chairman made one request and that was that Pat Dunn be named insurance commissioner, so it stands to reason that now that the state chairman, Harlan Bushfield, has become governor-elect that he will again appoint Mr. Dunn to succeed himself.

W. B. HARRISON REELECTED

ATLANTA—W. B. Harrison was re-elected comptroller general of Georgia last week. He is ex-officio insurance commissioner.

RETURN ERICKSON TO OFFICE

FARGO, N. D. — Oscar E. Erickson was re-elected insurance commissioner for a second term of two years. He ran on the Republican ticket.

SUN SMILES ON SMRHA

LINCOLN, NEB. — The reelection of Governor Cochran, Democrat, indicates the indefinite continuance in office of Charles Smrha as insurance director. The director is appointed to serve at the pleasure of the governor.

Mr. Smrha was appointed in August, 1935. Gov. Cochran has pursued the policy of permitting appointees to continue without formal reappointment as long as their services are satisfactory.

Although the governor fought a determined but losing fight for the establishment of a state bonding fund, he has otherwise been friendly to insurance interests. He secured a larger appropriation than usual for the department and this has made possible the procurement of full time service of an attorney and also of an investigator of field practices, as well as an increased office force.

The department will suggest amendments to the assessment companies' law to provide for a reserve of one sort or another for protection of policyholders.

YETKA CAN SURVIVE SLAUGHTER

ST. PAUL — The term of Frank Yetka as Minnesota commissioner runs until Feb. 1, 1941. Accordingly if he desires to hold on and his health permits, he can stay in office until that time despite the fact that a Republican has been elected governor to replace a Farmer-Laborite to whom Mr. Yetka owes his appointment.

BIEL'S SEAT IS IN DOUBT

ALBUQUERQUE, N. M.—In New Mexico the department of insurance is under the state corporation commission, composed of three members who are Don R. Casados, Robert Valdez and J. D. Lamb. The latter's term will expire Dec. 31, 1938, and Henry Eager was elected to take his place in last Tuesday's election. These three commissioners appoint the superintendent of insurance. He is not directly appointed by the governor but the latter has some influence in his appointment.

Due to the fact that Superintendent George M. Biel was named by two members who are still commissioners,

according to some insurance men he is likely to be reappointed. But there is much speculation as to whether many appointments made under the regime of Governor Tingley will be considered by the newly-elected governor, John E. Miles. This is due to the controversy between the Tingley and Miles factions at the Democratic county and state conventions. According to reports Mr. Biel was a Tingley man.

HARRINGTON MAY OUTLIVE G. O. P.

BOSTON — C. F. J. Harrington who was appointed commissioner for a three year term last April is not expected to be affected by the state wide sweep of

the Republicans, although Mr. Harrington is a Democratic appointee. He is the only insurance man to be appointed commissioner in Massachusetts since the days of Elizur Wright. Singularly, Harrington's position was much more in jeopardy by a Democratic victory. Former Governor Curley, the Democratic candidate again this year, was supported during the campaign by Francis J. DeCelles, who was his appointee for commissioner and served up to the time Mr. Harrington was named. It was generally felt that had the Democrats won Mr. DeCelles would have gone back to his old post.

Governor-elect Saltonstall has made it

known that he does not intend to make replacements in office on merely political lines, and that he will continue in office men who are performing their work satisfactorily. Commissioner Harrington has, moreover, a close friend in the newly elected lieutenant governor, Horace T. Cahill, the two having been good friends since boyhood.

The reelection of Attorney-general Paul A. Dever, Democrat, the only break in the Republican sweep, will probably mean a continuation of the attorney-general's fight against workmen's compensation service companies and the use of service and stop loss

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coverage as a substitute for compensation insurance.

Owen A. Gallagher, formerly an industrial insurance agent, many years active in the legislature as a thorn in the flesh of the industrial companies, ran for state treasurer and was overwhelmingly defeated.

Senator P. Eugene Casey of Milford, a local agent and vigorous opponent of the "vested interests" in insurance, was defeated.

NO CHANGE IN ARIZONA

PHOENIX, ARIZ. — The recent election in this state does not change the present setup of the state corporation commission, which is administered by three commissioners who are elected on alternate years for a period of six years. The present commissioners are Wilson T. Wright, reelected, Amos A. Betts and W. M. Cox. Roy Rummage, ex-officio insurance commissioner, is an appointee of Commissioner Wright, just reelected. There will be no change insofar as Mr. Rummage is concerned.

SAM KING WELL ENTRENCHED

COLUMBIA, S. C. — It is doubtful if the election of a new governor in this state will have any effect on the election of the insurance commissioner. This is because the insurance commissioner in South Carolina is elected by the legislature and not appointed by the governor.

Commissioner King was elected in January of this year for a four-year term and the new governor takes office next January. Therefore, there will be little change, if any, in the office of the insurance commissioner.

BLACKALL'S FUTURE CLOUDED

HARTFORD — The status of Connecticut's commissioner, Democrat John C. Blackall, remains an open question. Republican Governor-elect Raymond E. Baldwin has in no way indicated his intentions for this office, but insurance men, who think most highly of Commissioner Blackall, remember that in 1930, when the Democrats first carried Connecticut, Governor Wilbur E. Cross reappointed the incumbent Republican, Col. Howard P. Dunham. Governor Cross at that time did not have control of the state legislature.

Just what the new governor's attitude will be is hard to predict, although many observers feel that he will not immediately attempt any sweeping departmental changes except in one or two places. Mr. Baldwin can hardly ignore the fact that although the Republicans won out in Connecticut, it can hardly be said that they "carried the state." Their total vote was smaller than that of 1936, when they lost their state ticket to the Democrats by more than 100,000 votes. Socialist Jasper McLevy of Bridgeport, polled 163,000 gubernatorial votes this year, and yet Governor Cross yielded only a few more than 2,000 votes to his Republican opponent. McLevy, who will hold the balance of power in the state legislature, is a constant threat for 1940, and Baldwin can by no means afford to ignore this threat.

As for Commissioner Blackall, whose term expires in January, his vigorous campaigning for the Democratic ticket has kept him in the limelight, and many feel it will ultimately bring about some new appointment to his post. Since, too, the insurance and motor vehicle commissions are perhaps the most important in the state, it is reasonable to expect a new insurance appointee, because the term of Motor Vehicle Commissioner Michael A. Connor does not expire until 1941.

OWEN HUNT LAME DUCK

PHILADELPHIA — The Republican sweep in Pennsylvania will mean a radical change in the Pennsylvania department after the first of the year.

The commissioner is appointed by the governor at a salary of \$10,000. Owen Hunt, present picturesque commissioner, is an avowed new dealer and certain not to be retained. During their four years in office, the Democrats cleaned

house pretty thoroughly in the department and it is a foregone conclusion that the incoming Republican administration will do likewise. This change may bring back into the department many of the old faces familiar before the unexpected Democratic victory in 1934.

Just who will be the next commissioner is hard to say at this time. There are rumors galore and scores of names mentioned. One name heard frequently is that of A. G. Costello, one-time deputy commissioner. Ousted by the Democrats after some 24 years service in the department, Mr. Costello today is connected with Insurance Company of North America.

The Republican capture of the state house of representatives leads the insurance fraternity to feel that there will be little in the way of antagonistic legislation passed at the next session of the legislature, which convenes next January.

There is a possibility that the new workmen's compensation act may be amended to meet the wishes of the various factions. A commission has been endeavoring to reach a common ground and it is possible that its report may form the basis for constructive changes in the act.

The general feeling is that the next legislature will endeavor to consolidate existing legislation rather than enact new measures. Pennsylvanians seem to feel that enough bills were passed during the past four years.

NEVADA COMMISSIONER REELECTED

SAN FRANCISCO — Henry Schmidt, state comptroller of Nevada, was reelected. He is also ex-officio insurance commissioner.

SITUATION IN WISCONSIN

MILWAUKEE — With the election of Julius P. Heil, Milwaukee industrialist, as governor of Wisconsin and the return of the Republican party to power in this state on January 2 in all important state offices and control of the legislature, there is every likelihood that the insurance department will be included in the "clean up" of Progressive appointed jobholders. The incumbent, Harry J. Mortensen, New Lisbon, Wis., lawyer who also operated a local agency, is now serving his second term under Progressive appointment by Gov. Philip LaFollette.

Mr. Mortensen was first appointed for the four year term beginning July 1, 1931, as successor to Milton A. Freedy. The term expired June 30, 1935, but at that time Gov. LaFollette was having trouble with an unruly legislature in confirming some of his appointments. As a result Mr. Mortensen continued in office for two years and his reappointment was included in about two dozen appointments for major state offices made in the closing moments of the 1937 special session. This term, however, expires four years from the expiration of the previous term, or June 30, 1939, regardless of the delay in the previous appointment for more than two years. Incidentally, Mr. Mortensen is the first Wisconsin commissioner ever to have been reappointed.

While Gov. Heil has given no indication as to his plans and particularly as to the future of the insurance department operations, it is generally believed that he will not make any effort to replace Mr. Mortensen until the commissioner's term expires June 30. Whether Mr. Heil has any ideas as to a successor at that time has not been learned.

Stock insurance interests were active in Heil's campaign for election, largely because of the sympathetic leaning of the present administration and activity of insurance department personnel to expand the state fire fund. Both field men and local agents of the state have been battling the fire fund in competition for business of various governmental units. Department representatives have attended meetings to debate

the question and try to take the business from stock agents or fight to retain it.

Being committed to less government in business, it is to be assumed that Mr. Heil will not be sympathetic toward promoting government competition with private insurance business.

CHANGE CERTAIN IN MICHIGAN

LANSING, MICH. — Following last week's election in which Gov. Murphy, Democrat, was defeated by F. D. Fitzgerald, Republican, speculation has started as to disposition of the office of commissioner. It is being taken for granted that Fitzgerald will not reap-



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point C. E. Gauss, because four years ago when Fitzgerald took office as governor he replaced Mr. Gauss.

It is the consensus that John C. Ketcham of Hastings, who served as commissioner during Fitzgerald's last term, will not be reappointed. It is doubtful that he aspires to the job.

It is considered quite probable that Clyde B. Smith, Lansing agent, will be consulted before an appointment is made. Mr. Smith devoted virtually his full time to the campaign after the primaries, directing Republican activities in Ingham county as chairman of the county committee. He achieved notable success, turning in a 5,500-vote majority for Fitzgerald in the county whereas the Republican nominee had barely carried the county in his unsuccessful race against Murphy two years ago and had lost the city of Lansing by some 2,600 votes.

Neither State Senator George Weadock, Saginaw, chairman of the senate insurance committee, nor Joseph G. Mullen, Wallace, the house committee chairman, will be back, the former having been defeated while the latter did not make the race.

EARLE'S FATE IS SEALED

PORTLAND, ORE.—With the election of Charles Sprague, Republican, as governor, to replace a Democrat, the fate of Commissioner Earle is sealed. Even had there been a Democratic victory Mr. Earle's position would have been uncomfortable, because Mr. Earle supported the opposition candidate in the Democratic primaries who was defeated.

It is now quite doubtful that Mr. Earle will carry out his threat to move into New York with a crew of examiners to conduct audits of New York companies. At first he threatened that he would commence such an excursion last July, but he has been extending his deadline from time to time, until now it would seem that it is too late.

M. G. HARRISON TO CONTINUE

LITTLE ROCK—The reelection of Governor Bailey of Arkansas for a second term will not affect the present insurance commissioner, M. J. Harrison. The commissioner may be replaced at the pleasure of the governor, but it is the opinion of political observers that since Mr. Harrison was appointed to the office by Gov. Bailey, it is not likely that he will be replaced.

JESS READ GOES ON AND ON

OKLAHOMA CITY—On the verge of inaugurating his fourth consecutive administration as insurance commissioner of Oklahoma, Jess G. Read faces more favorable conditions than for several years.

Mr. Read's first official action in the new administration will be to seek a conference with the incoming governor, Leon C. Phillips, to discuss, what, if any, insurance legislation should be proposed in the 1939 legislature that convenes in January. For some time Mr.

Read has strongly urged abolishment of the state insurance board by consolidation with the insurance department. He will stress this point in his conference with the new chief executive.

Besides the commissioner, the board now comprises W. C. Theimer, state fire marshal, and Robert M. Siegfried, secretary, both appointive offices, and subject to change after the inauguration of the incoming governor, in January. Mr. Siegfried was recently named secretary to fill the unexpired term of Avery C. Moore, who resigned.

UNCERTAINTY IN ALABAMA

Word from Alabama is that Governor-elect Dixon has been deluged with applications from those who would like to serve as insurance commissioner. Whether that means that Frank Julian is on an uneasy perch is not certain. Mr. Julian is president of the National Association of Insurance Commissioners.

SIXTH TERM FOR HOBBS

TOPEKA.—C. F. Hobbs, Republican commissioner of Kansas, was reelected for the sixth consecutive two year term. His opponent was Darcy Dunne. Mr. Hobbs' majority was 117,000 votes.

Mr. Hobbs first entered the department in 1917 and until 1921 he was an examiner. From 1921 until 1929 Hobbs was the state actuary. Mr. Hobbs was first elected commissioner in 1929.

Low Loss Record Breeds Dangers

(CONTINUED FROM PAGE 4)

payments and governmental loans to manufacturers and merchants, etc. Much of the potential danger of arson occasioned by the friction of some pressing financial obligation on an insurance policy has been eliminated. It is striking, he said, that during the past five years the states, towns or classes which had the worst records over a long period, have experienced the greatest reduction in loss ratio. That improvement is not due to any sudden, phenomenal improvement in physical hazard or production. He referred to the farm experience, frame unprotected dwellings and retail mercantile stocks.

Pacific Coast B.D.O. Branch Soon to Be Established

SAN FRANCISCO—The Business Development Office soon will establish a Pacific Coast branch in San Francisco, it was announced in the semi-annual meeting of the Pacific Board at Del Monte. Members approved the idea, which was developed largely by local agents and brokers and special agents associations in the territory who desired closer contact with some more available headquarters.

Company executives attending the board meeting also expressed approval and agreed to lend every assistance to make the branch a success and to render further aid to special agents in the field in putting over the B. D. O. plan.

The meeting was largely devoted to routine business matters and committee reports. Two proposed amendments to rules were referred back to committee for further consideration and redrafting. The matter of revising regulations on reinsurance again was sent back to committee, together with the problem of changing the loss payable clause.

Resolutions in memory of the late Harry H. Scott and Jay C. Wickler were adopted.

Michigan Pond's Dinner Dance

DETROIT—More than 110 field men and their wives, including visitors from Cleveland and Toledo, attended the fall dinner-dance of the Michigan Blue Goose. Most Loyal Gander Walter H. Wolf, American of Newark, was in charge.

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EDITORIAL COMMENT

Windstorm Catastrophe Hazard

THE New England hurricane brought vividly to the minds of company executives the catastrophe hazard in windstorm insurance. This storm affected a larger area than any previous one in the history of the country. There have been devastating tornadoes that have struck cities, witness St. Louis, Miami and Gainesville, Ga., for example, that caused a very heavy loss. If a violent storm strikes any city of consequence where there are real values, a great loss is the result. The hurricane in New England not only spread over a large area but it was violent in its intensity.

To get a conception of what might have been the result had property in its path been insured against windstorm as is the case with similar property in the middle

west today, a very well informed executive who has given particular study to the situation, estimates that the loss to stock companies alone would have been at least \$150,000,000. This, therefore, would have been a catastrophe of major proportions to insurance. However, property owners had concluded that they were immune and that windstorms of a dangerous character would not visit them. Now with the extended coverage policy there will be more and more windstorm liability added to the books. Since the storm in September large amounts of windstorm insurance have been written in New England. The great lesson has been taught. Therefore, any future storm will mean heavier insurance loss. These uninsured "It Can't Happen Here" islands will disappear.

Amount Paid for Agency Service

IN his address before the CONNECTICUT ASSOCIATION OF INSURANCE AGENTS, R. H. BLANCHARD, professor of insurance at COLUMBIA UNIVERSITY, gave a glimpse from the outside, so to speak, he being a man of penetrating observation and keen analysis. He was presenting some advice to insurance people as a whole and coming to the producers' class he gave it as his opinion that if the business of insurance agency is to prosper then the clients must be perfectly satisfied with the service rendered. That really is a justification for the agency, viz., to give service. That is the reason that policyholders purchase through agents rather than go to the counter or buy insurance by mail.

Professor BLANCHARD then took the position that if policyholders were satisfied with the service rendered and realized that the agency was giving value received, there would be no difficulty in maintaining the relationship. The clients would realize the value of that brand of service and appreciate that they were in much better hands than doing business by mail or any other direct way. The matter of price will not concern them so much. After all the commission paid an agent is the amount that the assured is willing to give for actual service. That, in Professor BLANCHARD's estimation, should be thoroughly conscientious, intelligent and reliable.

Roots in Sound Underwriting

COMMISSIONER BLACKALL of Connecticut, in a very interesting address before the CONNECTICUT ASSOCIATION OF INSURANCE AGENTS, made a statement that all can take to heart when he said, "Regardless of investment portfolio, and

regardless of state laws and regulations, it is truism today that there can be no success in the insurance business except that success which finds its roots in sound underwriting." This is the first test of insurance management.

Use of the Title "General Agent"

THE AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS is abundantly justified in its appeal to casualty and surety executives asking them to have some other title than "general agent" designating top commission local agents. Its own organization does not allow anyone to become a member who does any local business. A member is a supervising general agent. That was originally what the term "general agent" meant.

The general agent in fire insurance signifies one who is a manager and who undertakes many of the functions of a home office, thus relieving headquarters of doing much work that it usually handles. In the casualty and surety business unfortunately the term "general agent" is applied to anyone that a company desires to favor on account of having a goodly amount of business. In compiling its state insurance directories, THE NATIONAL UNDER-

WRITER does not regard a list of "general agents" as signifying anything at all. Almost all so-called "general agents" are simply local agents paid a higher commission than to the ordinary producer. In life insurance the term "general agent" signifies what it does in fire insurance, a man who operates an agency and who is a manager. That is, he is a general agent in his territory. He is more than a producer.

In days gone by there were many mixed general agents in fire insurance. That is, a number wrote local business as well as supervised the territory. The tendency then was started toward companies paying local agents general agency commissions and calling them

general agents merely to compensate them for a larger amount of business offered. This fortunately has been checked. There are in the fire insurance field still general agents that write local business. Their number, however, is decreasing.

It would clear the understanding materially if a general agent in casualty and surety meant a person who is doing supervising, has a territory even if he does write local business. There are no purely general agents in the casualty and surety field as there are in fire insurance because all with whom we are acquainted write local business. However, they are actually general agents in supervising a territory.

PERSONAL SIDE OF THE BUSINESS

V. H. Schultheis, for many years an adjuster in the Detroit branch of the Western Adjustment, died suddenly at his home there. He had been in Detroit 19 years.

A. J. Donohue, for a number of years actuary of the National Automobile Underwriters Association, and now a successful agent in New York City, is justly proud of the record being made by his son, A. J. D., Jr., at the naval academy at Annapolis. Of some 700 men taking the entrance examination last June, young Donohue was among the 25 who made the grade and secured the coveted appointment.

W. M. Bailey, 70, widely known insurance rate expert, died at his home in New Orleans. He had many battles with the Louisiana Rating & Fire Prevention Bureau, on whose methods he launched vigorous attacks, particularly in his effort to obtain lower rates for fireproof hotels and buildings protected with sprinkler systems.

John M. Vorys of Columbus, O., Republican, was elected to Congress from the 12th Ohio district. Mr. Vorys is the son of the late A. I. Vorys, one-time Ohio superintendent of insurance. Mr. Vorys' legal firm has represented a large number of insurance companies.

James A. Blainey, well known in the New York City insurance district, who was formerly president of the Cosmopolitan Fire, becomes director of promotion of the Croyden Hotel, 12 East 86th street, New York City. It is one of the splendid residential hotels.

Miss Agnes Vera Bowyer of San Francisco, familiarly known to her friends as "A. V.," suffered a heart attack and is in St. Francis Hospital in her city. She hopes to be able to get to her home, 3845 California street, in due season. Miss Bowyer is the San Francisco news representative of THE NATIONAL UNDERWRITER. She attended the annual meeting of the California Association of Insurance Agents at Fresno for her publication and shortly thereafter was prostrated. It will be a number of weeks before Miss Bowyer can resume her duties. Her case re-

quires a long rest and for the next few weeks she will be confined to her bed. Miss Bowyer is executive secretary of the San Francisco Life Underwriters Association, is interested in many activities outside of her own work and is held in the highest esteem by insurance people.

Homer G. Brown, 53, Plainwell, Mich., local agent, was killed in an automobile accident.

Kenneth H. Erskine, Boston manager of the Anglo-American Underwriters of the Liverpool & London & Globe, spoke to the Conference Club of Boston.

H. Hayes Landon, state agent Agricultural, was tendered a testimonial dinner by the Paul Revere chapter of the Military Order of the Purple Heart in Boston, upon his election as a national committeeman of the order.

Harold C. McAllister, assistant secretary New Hampshire Fire, has been elected president of the Dartmouth Alumni Association of Manchester, N. H. He graduated in 1913.

W. H. Lundquist of Marsh & McLennan and J. L. Haight of Wood-Nelson Company in Minneapolis conceived the idea of turning a hobby into a paying enterprise. They are marketing throughout the country a football game under the name of "The Big Ten." Mr. Lundquist originated the game, later entering into a partnership with Mr. Haight to promote its sale. After it had been successfully tried out in the Twin Cities, they succeeded in selling the game to a national advertiser to be used as a premium. The game has met with considerable success.

Manager E. D. Lawson of the Fireman's Fund in the west, who was toastmaster at the annual banquet of the Illinois Association of Insurance Agents at Peoria this week, originated a stunt that created much merriment. He had a men's clothing store get up a dummy, dressed in tuxedo, who was escorted to the table when the speaking began. Toastmaster Lawson stating that he had secured a substitute who had cost the organization nothing so far as a ban-



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quet ticket was concerned. Mr. Lawson said that his associate would do the preliminary talking, the introduction of speakers and handle the entire work of the evening so far as master of ceremonies was concerned. Therefore, Mr. Lawson passed more or less into the background. The introductions were short. He had these painted out in large enough letters on a white card so that they could be read throughout the room.

Frank J. Schmidt, 68, president and treasurer of the Woodworth-Hawley Co., Buffalo, N. Y., died at his home there after an illness of several weeks. He had been active in business until stricken in September. He had been associated with the firm 56 years.

H. E. Soward, executive special agent of the America Fore, western department, was married to Miss Eldean Hanson of Madison, Wis. They will make their residence in Chicago.

T. J. Ocacek, southern Ohio representative of the Underwriters Service Association, announces the birth of an eight-pound boy at Columbus, O. Mr. Ocacek has been with the association for 15 years.

Mark V. Campbell, manager western marine department in Chicago of the Automobile and Standard of Hartford, has returned to his desk after having been absent for a month due to an appendicitis operation.

J. H. Oatis, 56, for 25 years underwriter and counterman in the local department of Field & Cowles, Boston, dropped dead in New York City while on a business trip. For many years he was connected with the Boston office of the Aetna Fire.

C. Clay Pearson of the Pearson agency was elected mayor of Delphi, Ind., in the election last week. Another new Indiana insurance man-mayor is **William P. Lockwood** of Frankfort.

O. H. Sturgeon of Springfield, Illinois state agent for Pearl Assurance, has returned from Owensboro, Ky., where he attended the funeral of his mother, Mrs. E. T. Sturgeon.

H. J. Lussem, Iowa and Nebraska state agent of the Sun, who has had quite a siege in a Des Moines hospital, is now at home and making good progress. Although he is still in bed, he expects to be up and around the house by Dec. 1. It probably will be some time before he is able to resume work.

Secretary **Roy E. Eblen** of the Phoenix of Hartford group is making a trip through the middle west and was in Indianapolis Monday conferring with the company's field men there, G. J. Daseke and E. H. Richardson.

F. R. Bigelow, chairman of St. Paul F. & M., was elected a director of the Transportation Association of America at the annual meeting in Chicago.

L. J. Braddock, assistant western manager of the North America, who resides at Evanston, Ill., was at the University Club in his suburb the other evening chatting with Robert Pettit, who is head of the Tinker Toy Company in Evanston. It developed that Mr. Pettit's great-great-grandfather, Charles Pettit, was the second president of the North America. Robert Pettit has an interesting collection of letters, manuscripts and heirlooms handed down from that early period that have a particular historical significance to the

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Nov. 14, 1938

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00	105	108
Aetna Fire	10	1.60	47	49
Aetna Life	10	1.25*	25	27
Agricultural	25	3.25*	78	81
Amer. Alliance..	10	1.20*	22	24
Amer. Equitable.	5	1.00*	27	29
American (N. J.)	2.50	.60*	13	14
Amer. Surety	25	2.50	52	54
Automobile	10	1.30*	32	34
Balt. Amer.	2.50	.30*	6	7
Bankers & Ship..	25	5.00	92	95
Boston	100	21.00	640	660
Camden Fire ...	5	1.00	20	22
Carolina	10	1.30	23 1/2	25 1/2
Contl. Cas.	5	1.60*	34	35 1/2
Contl. N. Y.	2.50	1.80*	36	37
Crum & Forster				
Com.	10	1.00	23 1/2	25 1/2
Employers Reins..	10	1.60	50	52
Fidelity & Dep..	20	2.00	113	115
Fidelity-Phen. ..	2.50	1.80*	36	37
Fire Assn.	10	2.50*	67	68
Firemen's (N. J.)	5	.30	9 1/2	10 1/2
Franklin	5	1.40*	27	29
Gen. Reinsur.	5	2.00	40	42
Glens Falls	5	1.60	44	46
Globe & Repub..	5	.50	13	15
Gt. Am. Fire....	5	1.20*	25 1/2	26 1/2
Gt. Amer. Ind. ...	1	.20	8 1/2	9 1/2
Halifax Fire ...	10	1.00*	24	26
Hanover Fire ...	10	1.60	31	33
Hartford Fire ..	10	2.00	76 1/2	78 1/2
Hartford St. Boil.	10	1.60	54	57
Home Fire Sec. ..	10	2 1/2	3	3
Home Ins. (N.Y.)	5	1.60*	30	32
Ins. Co. of N. A.	10	2.50*	68	70
Lincoln Fire ...	5	...	2	3
Maryland Cas. ..	1	...	3 1/2	4
Mass. Bonding ..	12.50	3.50	55	57
Merch. Com. (N.Y.)	5	1.70*	46	50
Natl. Cas.	10	1.00	23	24 1/2
Natl. Fire	10	2.00	62	65
Natl. Liberty ...	2	.40*	7 3/4	8 1/2
Natl. Union	20	5.00*	125	130
New Am. Cas. ...	2	.60	12	13
New Hampshire..	10	1.80	45	47
Northern (N. Y.)	12.50	5.00*	95	100
North River ...	2.50	1.20*	26 1/2	28
N. W. Natl.	25	5.00	123	130
Phoenix, Conn. ..	10	2.50*	82	84
Preferred Accl. ..	5	1.00*	18	19
Prov. Wash.	10	1.40*	33	35
Republic, Tex. ...	10	1.20	25	27
Rossia Ins.	5	...	4 1/2	5 1/2
St. Paul F. & M.	25	8.00	225	230
Security, Conn. ..	10	1.40	30	32
Sprgfd. F. & M.	25	4.75*	124	126
Travelers	100	16.00	460	472
U. S. Fire	4	2.00	54	56
U. S. F. & G.	2	...	16	17
Westchester Fire	2.50	1.60*	32	34

*Includes extra. **Canadian funds.

Illinois Republican Gains May Hamper Palmer

The Republicans hold a majority of the lower house of the Illinois legislature as a result of the elections last week. The state senate is still Democratic.

Insurance observers are inclined to believe that the shift in control in the lower house is likely to slow down some of the projects of Insurance Director Palmer. He has been putting in motion several reforms and has been able to get the cooperation of the insurance business itself, at least partially, because of the threat that unless the insurance interests volunteered to go along, the director would press for passage of compelling legislation in the January session of the legislature. The change in complexion of the legislature now makes Mr. Palmer's legislative influence less certain. It may be that the insurance interests will be somewhat less compliant to Mr. Palmer's wishes under the circumstances.

Among the programs upon which Mr. Palmer is now embarked is to bring about uniformity in rates and rules for automobile insurance; radically to reform the writing of automobile finance business and to reduce the fire insurance acquisition cost in Chicago and Cook county.

company. Robert Pettit has made it a rule, therefore, to keep his insurance in the North America in tribute to his famous ancestor.

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U. S. STATEMENT DECEMBER 31, 1937

Premium Reserve	\$ 1,903,636.30
Other Liabilities	1,044,037.34
Surplus to Policyholders.....	10,394,211.93
Total Assets	\$13,341,885.57

Bonds and Stocks valued on New York Insurance Department Basis. Securities carried at \$609,232.73 in the above statement are deposited in various States as required by law.

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The NATIONAL UNDERWRITER

November 17, 1938

CASUALTY AND SURETY SECTION

Page Twenty-one

Closer Cooperation Is Foreseen in the Insurance World

Vice-President Combs of the U. S. Fidelity & Guaranty Gives Views

At the banquet at the Edgewater Beach hotel in Chicago this week given by Manager W. O. Schilling of the U. S. Fidelity & Guaranty at his annual field conference, Vice-president Hugh D. Combs from the head office called attention to some of the economic and business conditions brought about in a period of stress and strain with costs mounting and profits diminished. In addition, insurance has had to contend with various forms of parasitical competition. He said that the United States is now engaged in the second experiment in economic pump priming. From March, 1933, to 1938, public assistance supported by federal participation averaged in cost about \$200,000,000 a month. Since July last, the figure has approximated \$250,000,000 a month. During this year federal expenditures, he said, will reach a new peace time high of \$500,000,000 above 1936, the year of the soldiers' bonus. The national deficit will be \$3,500,000,000, if not more. He said if the second attempt at pump priming does not succeed in giving an impetus to business, which will enable it to carry on under its own power there is very serious trouble ahead.

Lack of Cooperation

Mr. Combs said that past efforts to produce a lasting prosperity failed largely because of lack of cooperation between government, capital and labor. The government, he said, has attempted too many things at one time. There has been a number of costly experiments which had to be abandoned and there has been confusion and nervousness in the minds of both capital and labor. Labor, he said, in trying to secure more than its followers, demanded, and in many cases received too much in too short a time and capital, unmindful of sound sales principles, endeavored to pass all of its increasing cost to the consumer. The consumer went on a strike. The new dealers, he finds, influenced by public opinion, have recently shown a more conciliatory attitude and a desire to cooperate with others in an attainment of a more moderate objective. Labor has shown a more friendly and reasonable attitude toward capital. Capital, he said, will be found desirous of cooperating providing there is a reasonable profit in sight for the effort. Capital, he said, has suffered for its former crimes, for its excessive profit charges. The pendulum has swung too far now in the other direction.

Because of the lessons that have been

(CONTINUED ON PAGE 24)

New Savings and Loan Blanket Bond Issued

NEW YORK—The Surety Association of America has announced a new savings and loan blanket bond, Standard Form No. 22 promulgated for use as of Nov. 14; the broadest form available to savings building and loan associations, (whether federally or state chartered) and cooperative banks.

It will be recalled that for a number of years there were available to building and loan associations only the regular forms of bankers blanket bonds. In 1929, building and loan blanket bond Standard Form No. 16 was adopted. This has become a very popular contract with associations and as a result of the experience gained through its being widely written, the Surety Association has been able to proceed further in the development of coverages designed to protect against the hazards peculiar to this class of insured.

A description of the various points in which Form No. 22 differs from building and loan blanket bond Standard Form No. 16 follows:

* * *

Dishonesty Insuring Clause—This clause has been considerably broadened to include not only coverage against any dishonest act but also coverage against fraudulent or criminal acts of any officer or employee of the insured or of any duly elected or appointed attorneys of the insured. The definition of employees which was a separate section in Form No. 16 has been included in this insuring clause. The protection given by this clause is broader than that given by ordinary fidelity bonds. It should be noted that coverage is given as respects acts of directors when performing acts coming within the scope of the usual duties of an employee (see Exclusion 2).

Forgery or Alteration Insuring Clause—A broad, brief insuring clause has been included covering losses "by reason of the forgery or alteration of any instrument," which includes counterfeited currency. The inclusion of this coverage makes it unnecessary for an association to carry a building and loan forgery bond. If, for any reason, an association does not desire this broad insuring clause, it may be eliminated at a saving in premium. Such elimination may be accomplished by the execution of the optional endorsement which appears at the end of the Form No. 22 bond.

* * *

On Premises Insuring Clause—This insuring clause has been considerably broadened by including coverage against loss of property through "misplacement and mysterious unexplainable disappearance." In addition, other hazards now insured against include "damage, abstraction or removal from the possession, custody or control of the insured (whether with or without negligence on the part of any of its employees) and any loss of subscription, conversion or deposit privileges through the misplacement of interim certificates, warrants, rights or other securities, the production of which is necessary to the exercise of such privileges." The cata-

log of places within which the coverage applies has been broadened to include the premises of any agency of the insured or the premises of other building, savings and loan associations or companies, the Federal Savings and Loan Insurance Corporation, Federal Housing Administration, Reconstruction Finance Corporation, or any federal home loan bank.

* * *

In Transit Insuring Clause—This insuring clause has been considerably broadened by including, as additional hazards, embezzlement, misappropriation, misplacement, mysterious unexplainable disappearance, being lost, stolen or otherwise made away with, damage or destruction, and any loss of subscription, conversion or deposit privileges through the misplacement of interim certificates, warrants, rights or other securities, the production of which is necessary to the exercise of such privileges." In addition, the previous radius limitation has been removed and coverage is given while property is in transit anywhere under the conditions prescribed in the clause. An important new broad feature is the inclusion of coverage for property while in the custody of an armored motor vehicle company for the purpose of transportation by an armored motor vehicle accompanied by one or more armed guards. It is understood that the transit under this provision extends from the time the property is received by the armored motor vehicle company for the purpose of transportation and continues, whether or not the guards are negligent or remain with the armored motor vehicle for the entire transit period, until it reaches its destination. Because of the affording of protection against loss while property is in the custody of an armored car company, it has been necessary to add a new exclusion (number 5.) providing that coverage under such circumstances is strictly excess over amounts recoverable or received by the insured from other sources.

Another important broadening of this insuring clause is the giving of coverage against loss of property through negligence on the part of the transporting employee or any of the employees of any armored motor vehicle company having custody of the property while in transit.

* * *

Fraud Insuring Clause—There has been included a special insuring clause covering against loss of property through any other form of fraud or dishonesty by any person or persons, whether employees or not.

* * *

Collection of Rents Insuring Clause—To take care of the special needs of some savings and loan associations which have had to take over property, a special insuring clause has been included which declares each natural person who is duly elected or appointed by the insured to collect rents for the account of the insured to be an employee while collecting or having pos-

(CONTINUED ON PAGE 24)

Executives Body Sues to Invalidate Virginia Law

Action Is Finally Taken Over Issue That Has Been Prominent

After considerable preliminary skirmishing, members of the Association of Casualty & Surety Executives have at last brought an action to test the validity of the Virginia resident agent law that was passed in March of this year.

The case, entitled "Osborn et al. vs. Ozlin et al.," was filed in the federal court at Richmond. The companies contend that the law violates the federal constitution. Pending final judgment on petition for a permanent injunction, the companies seek a temporary restraining order and there will be a hearing on this proposition the morning of Nov. 21.

Three of the plaintiffs are Richmond managers of casualty companies. These men had been licensed as agents until July 15 of this year, but under the provisions of the new resident agency law a salaried company representative may not be licensed as an agent. These plaintiffs are W. H. Osborn, Aetna Casualty; C. F. MacNeil, Travelers, and L. C. Adair, Fidelity & Casualty.

The allegation is made that the law is designed to promote the interests of Virginia agents in order to enrich them at the expense of registered company representatives, that it will increase the operating cost of the companies and cause them to lose business; that the cost of insurance to the public will be increased and the state will lose tax on premiums placed with non-admitted companies.

The companies delayed bringing the suit in an endeavor to induce the agency leaders in the state to permit the issue to be litigated without rancor. Unsuccessful in getting an agreement that the law suit should be regarded on all sides as an academic matter and dispassionately, the companies have at least decided to move against the law anyway.

The bill of complaint calls into question seven specific provisions of the Virginia act which, either singly or in conjunction with other provisions, prohibit:

The countersignature of contracts covering in Virginia by salaried company representatives; and prevents the procurement by the company of such countersignatures.

The making by an insurer outside of Virginia of a contract produced by a non-resident agent notwithstanding that the contract shall be countersigned in Virginia as required by its laws.

The countersignature by salaried company men, if and when otherwise permitted by law so to do, unless the coun-

(CONTINUED ON PAGE 30)

Educational Rally Held in Chicago

U. S. Fidelity & Guaranty Officials Explain Various Lines to Producers

A two-day educational meeting was held by the Chicago office of the United States Fidelity & Guaranty this week for agents and brokers in its territory. This was one of the series being held throughout the country. The speakers are home office men in charge of the various departments. W. O. Schilling, Chicago manager, presided.

Philip F. Lee, agency vice-president, and J. Dillard Hall, assistant agency director, gave brief talks. J. D. Williams, superintendent judicial department, clarified the subject of judicial bonds. J. H. Dittman, superintendent burglary department, showed the wide field in that line. Other speakers were J. H. Bibby, assistant casualty director, W. J. Jeffery, superintendent casualty department, D. T. Harper, superintendent fidelity and surety department, and Harry F. Ogden, vice-president, F. & G. Fire.

Many From Downstate

A large crowd turned out, many from downstate. Proceedings began with a luncheon Monday noon, then a business session in the afternoon, a social period before dinner, dinner Monday evening, breakfast Tuesday morning followed by a business session, with luncheon at noon.

Vice-President Lee in his talk said that success comes half from knowledge and education and half from applied energy. The agents can attend schools and use all the educational and sales helps available, but unless they wear out shoe leather they will not get business.

Mr. Hall analyzed the selling advantages to agents from the new Illinois financial responsibility law. Mr. Williams said that the biggest competitor on judicial bonds is the personal surety. The potential volume on premiums is \$40,000,000 a year, of which only \$10,000,000 is written. While care in underwriting is necessary, practically any fiduciary bond can be made safe. Mr. Dittman took the burglary policy apart and showed how each part serves a purpose in protecting the insured.

Banquet Was Held

At the banquet W. O. Schilling of Chicago presided, introducing C. M. Cartwright of THE NATIONAL UNDERWRITER, as toastmaster. The dignitaries at the head table were introduced by the toastmaster. W. Herbert Stewart, head of Stewart, Keator, Kessberger & Lederer, U. S. F. & G. general agents, who is chairman of the board of the Illinois Association of Insurance Agents, came out strongly for better service giving agents, saying that the day of the order taker is gone. There must be more knowledge, acquired application of salesmanship principles to insurance and standards raised. Vice-president H. D. Combs, a digest of whose address appears elsewhere, was one of the chief speakers. Attorney Henry S. Moser, chairman of the Illinois State Bar Association insurance committee, furnished one of his humorous talks, what he claimed was an address presented by his uncle who was manager of the "Palestine & Arabian Fidelity & Indemnity." Roy L. Davis, assistant Illinois insurance director, was present as one of the guests.

Talks on Liability

Property damage coverage is as essential as personal injury insurance and every time an agent or broker places a P. L. policy he should seek to sell property damage, otherwise the in-

Standard Liability Policy Is Expected

Joint Bureau-Alliance Committee May Consider Proposed General Form

It is expected that the proposed standard public liability policy's including manufacturers and contractors, elevator and owners, landlords and tenants, will be submitted to the joint committee representing the National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance in the near future. The committee has substantially the same personnel as that which drafted the national standard automobile liability policy, the sub-committee which is now working on the forms being headed by Hugh Harbison, Travelers, and E. W. Sawyer, Liberty Mutual.

There is now no standardization in general liability contracts and there are probably more variations in the forms issued by different companies than were found in automobile policies prior to the adoption of the standard form. It is expected that several marked innovations will be introduced, particularly the dropping of owners and contractors protective liability policies, with provision for covering this hazard under the regular public liability form.

Insurance protection will not be complete, J. H. Bibby, assistant casualty director at the home office, declared in a talk on liability insurance the second afternoon. He said the great growth in casualty premiums, from \$416,000,000 in 1920 to \$970,000,000 in 1930 and to more than \$1,000,000,000 last year, of which stock companies wrote \$750,000,000 and member companies of the National Bureau of Casualty & Surety Underwriters \$500,000,000, is largely due to increasing public appreciation of the legal liability imposed upon individuals and business for negligence resulting in damage to others. There is a big field for development of other liability, he said. Sale of product liability is growing steadily, stock companies writing more than \$3,000,000 premiums in this line last year.

Finance Man Speaker

W. J. Jeffery, superintendent of the casualty department in the Chicago office, talked on retrospective rating of compensation risks. W. B. Joyce, manager of the Delmar Finance Company, subsidiary of the U. S. F. & G., was introduced by Manager W. O. Schilling, who presided. Mr. Joyce said nearly all merchandise is sold on a monthly payment plan today, but insurance men by and large have not utilized it. Premium financing, he said, breaks down the whole cost into a sum the buyer can conveniently meet, serves as a sales closer as well as a collection medium.

D. T. Harper, superintendent fidelity and surety department, in Chicago, said construction bonds are perhaps the most lucrative to sell now, there being greater government activity on various projects.

H. F. Ogden, vice-president Fidelity & Guaranty Fire, gave an interesting demonstration using a roadside scene on which he built up a house and other insurable objects to show the agents how to recognize various risks. He introduced E. H. Follingstad, manager of the Chicago office; C. D. Hoe, assistant manager; Benjamin Hershey, manager inland marine department, and O. L. Butler, engineer in the office.

King to Birmingham

Richard King, for several years an engineer of the Travelers in Atlanta, has been transferred to the Birmingham, Ala., office.

Gives Selling Points on Responsibility Law

Speaking on the new financial responsibility law of Illinois at an agency meeting J. Dillard Hall, assistant agency director, U. S. Fidelity & Guaranty, read a letter from Edward J. Hughes, secretary of state, the enforcing officer of the responsibility act. Mr. Hughes said, in part: "We do feel that the financial responsibility act will be a great aid in reducing the accident rate in Illinois. I make this statement because an individual operating over the highways now must be cognizant of the fact that if he has an accident, and if after such accident a judgment is rendered against him because of his carelessness he shall be forced to settle the judgment and give proof of financial responsibility before he is again allowed to operate on the highways."

Law Not Retroactive

Mr. Hughes said his office is holding that the law is not retroactive. In other words, if an accident occurred prior to July 12, the date the law took effect, a judgment rendered afterward will not come within the law. The accident must have occurred after July 12. Revocation of plates has already been begun. An important point made by Mr. Hughes is that if a man has several cars, and one of them is involved in an accident, and judgment for damages remains unpaid, he loses the plates not only on the car involved, but on all cars in his name. He cannot register a car again in Illinois until the judgment is paid.

Surety Conference Over FHA Issue

NEW YORK—Surety company officials will in joint conference with representative agents and brokers, Nov. 17, discuss the attitude of the Federal Housing Administration regarding completion bond rates. The manual rate for bonds is 1½ percent, which figure the FHA considers too high and refuses to pay, threatening, unless a substantially lower figure is named, to waive the bond requirement in connection with its intended \$800,000,000 building program. Surety underwriters have had the matter under review for several weeks and have held two gatherings with government representatives in an effort to reach a satisfactory agreement. The attitude of the business producers toward the problem will be learned at the gathering Thursday.

Fidelity & Deposit Course

The Fidelity & Deposit and American Bonding have forwarded the last regular lesson to those who enrolled in the home study course. The course consists of 17 attractively prepared booklets covering fidelity, surety and casualty, giving a clearly written and comprehensive treatment of each subject, complete with questions, model answers, and index.

Lessons are arranged as follows: Fidelity, 1, Individual and Schedule Bonds; 2, Blanket Fidelity Bonds; 3, Fidelity and Blanket Bonds for Banks; 4, Fidelity and Blanket Bonds for Other Financial Institutions; 5, Miscellaneous Fidelity Bonds Involving Other Than Mere Honesty Coverage; 6, Miscellaneous Bonds and Bonds in the Nature of Financial Guarantees Handled in the Fidelity Department.

Surety, 7 and 8, Fiduciary Bonds; 9, Court and Miscellaneous Bonds; 10, Public Official and Depository Bonds; 11, Contract Bonds—Miscellaneous Bonds in the Nature of Financial Guarantees.

Casualty, 12, Residence Burglary, Robbery, Theft, and Larceny Insurance; 13, Burglary and Robbery Insurance for Mercantile and Industrial Concerns; 14, Burglary and Robbery Insurance for Banks and Other Financial Institutions; 15, Glass Insurance; 16, Forgery Insurance; 17, General Index.

Agent License Issue Important in Florida

Supreme Court Has the Case of Mutual Casualty Agents

JACKSONVILLE, FLA.—The supreme court of Florida has not yet decided the case challenging the right of the insurance department to refuse an agency license to intended representative of several mutual casualty companies, such refusal being based on the provisions of a law enacted at the recent session of the legislature. According to the brief filed the case involves the following issue:

"Under the constitutions of this state and of the United States, is it a proper exercise of the police power (1) to prohibit by statute the otherwise legitimate occupation of soliciting insurance on other than a purely commission basis, except by life companies or associations, or sick and funeral benefit companies or associations, or their agents or solicitors; and (2) to authorize by statute a complete control of the solicitation of insurance in this state by agents solely on a commission basis, except for life insurance companies and others noted above?"

Effect of Newcomers to Illinois Viewed

Some apprehension is being felt by automobile casualty underwriters over the possible effect of the oil boom in southwestern Illinois on liability experience. Much drilling has been going on in Wabash, Richland, Lawrence and other counties in that vicinity and many wells are now in operation. The vicinity of Olney has already taken the aspects of a boom region and drilling is going on at Mt. Carmel and other towns in that part of the state. Hundreds of oil workers of every type have been brought in from Oklahoma, Texas and other oil fields.

Although a refinery has operated at Lawrenceville for many years, this section of the state is predominantly agricultural and this has been reflected in the automobile rates. The entire section is in the "remainder of state" classification, with manual rates for a W car of \$14 for bodily injury liability and \$5 for property damage liability. It is pointed out that the "remainder of state" rates in Oklahoma for the same automobile are \$25 and \$6 respectively and that many of the oil territories in Oklahoma take still higher rates. Agents report that newcomers from the oil district are amazed at the rates quoted and frequently question whether they are getting the coverage expected.

In the opinion of many observers, the future development of the Illinois oil fields holds the answer to whether a change in rates will be ultimately necessary. Many people believe that the development of Illinois oil production is a defensive move on the part of the oil companies against proration in Texas and Oklahoma and that it would be dropped or greatly diminished should the laws be equalized. Others believe that there is sufficient oil in this territory to make production commercially profitable, regardless of what happens in other states and hence that oil activity will be permanent. A few small companies are reported to have withdrawn from automobile underwriting in this territory, pending developments. The majority of companies have taken no action, but are watching the situation closely.

The proposed First National Insurance Company of Baltimore has changed its name to the National Guild Insurance Company with capital of \$100,000, par \$1 a share.

Reid Explains How Safety Work Helps Long Haul Cover

President of Globe Indemnity Tells Procedure on Truck Risks

NEW YORK—A. Duncan Reid, president Globe Indemnity, in an article contributed to the house organ of a nationally known industrial corporation, recites methods his company employs in checking up long haul trucking risks on which it carries insurance. Safety engineers on road patrol service, he states, are alert to observe trucks insured by the Globe Indemnity and to report any infraction of the safe drivers' code by drivers. The engineers' cars are equipped to take road photographs, having a speedometer mounted above the left headlight and a camera set in the car, so the speedometer and car ahead show in the picture.

Cars also carry fire extinguishers, pot torches and fuses, enabling the rendering of special service to clients in emergencies. All trucks insured by the Globe Indemnity carry special insignia front and rear, enabling prompt identification by inspectors.

Tells Measures Taken

Mr. Reid noted the contribution of the National Bureau of Casualty & Surety Underwriters to general safety campaigns, especially measures taken to reduce truck accidents.

"Insured trucks are all provided with a metal holder to be attached to the dashboard, into which is inserted each month a card bearing a safety slogan," he said. "Other equipment includes a decalcomania 'no riders' sign for windshield display and blank forms on which to report accidents and enter the names of witnesses. All trucks are thoroughly inspected periodically by safety engineers for mechanical defects that might lead to accidents.

"Long haul trucking, one of the huge industries of the country, which operates, by and large, on a 24-hour-a-day basis, requires special treatment from the standpoint of the insurance carrier. Routes once established must be followed by all drivers. A checking system is established through arrangement with proper gasoline stations, open 24 hours a day, at intervals of about 100 miles. Drivers must report into these stations and their orders must receive the official stamp of the station showing the time in and the time out.

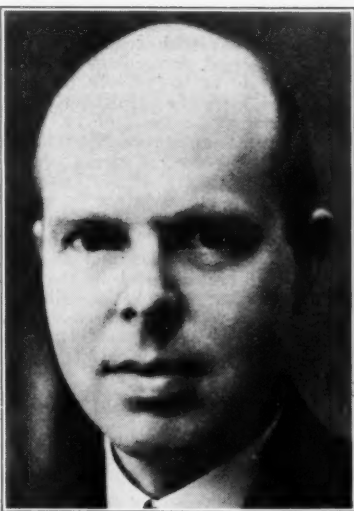
Check Driver and Truck

"Station attendants check the tires and the lights, looking for any unsafe condition; they observe the driver to see if he is in good physical condition and send a report of their observation to the insurance company. Drivers are benefited by the stop, as it enables them to relax and also make a casual inspection of their trucks.

"The proof seems convincing that the effect of the system of road observation and station checking, supplemented by other safety measures mentioned before has had a definite effect in reducing accident frequency. With the cooperation of the employer, the driver who is habitually careless or irresponsible is taken off the road. It is recognized that the primary interest of the employer is to 'deliver his load' and to reduce insurance costs by cooperating with the insurance carrier and the public in elimination of accidents."

The Northern Assurance has been licensed in Arkansas with Coates & Coates of Little Rock as agents.

Casualty Instructor at Illinois Agents Meeting



F. W. POTTER

At the annual meeting of the Illinois Association of Insurance Agents, F. W. Potter of Hartford, field representative of the Aetna Casualty & Surety, spoke on "Basic Principles for Successful Selling." He is one of the instructors in the Aetna Casualty's famous home office sales school for agents. He is a clever talker and gives a number of addresses to Aetna Casualty people throughout the country. He has been spending a vacation in West Virginia and from there went to the Illinois meeting.

Committee of 12 Is Named by Fidelity, Surety Cost Group

NEW YORK—The Fidelity & Surety Acquisition Cost Conference having recently appointed a special managerial committee of 12, like action will be taken by the casualty conference. The purpose of both committees is to survey present field conditions and formulate a program for making conference rules more effective, both as to carriers and their field representatives.

When final recommendations have been drawn up they will be submitted the respective conferences for approval or further suggestion. The committee of the fidelity and surety conference will meet here Nov. 18.

Lorenz Cleveland Manager

A. W. Lorenz, for the past three years assistant manager of the accident and health department of the Maryland Casualty at its head office, has been appointed resident manager in Cleveland, succeeding K. O. Saunders, resigned to go with the Globe Indemnity.

A native of St. Louis, Mr. Lorenz' insurance experience began in 1921, with a general agency there, later transferring to the general agency of the Maryland Casualty. In 1935 he was called to the home office as assistant manager of the accident and health division, spending much of his time in the field.

Cogley Attended School

ST. LOUIS, S. D.—Martin E. Cogley, special agent for John M. Cogley, general agent here, has just returned from New York City, where he attended a six weeks school in bonding and casualty, held by the American Surety.

Henry Laur has resigned as secretary of the German Mutual Fire of Eldorado, Ia., after 36 years of service. He is succeeded by his son, Grant, with the company 5½ years.

Two New Illinois Motor Statutes Are Explained

PEORIA, ILL.—At the annual meeting of the Illinois Association of Insurance Agents, W. D. Forsyth, general supervisor of the automobile department in the secretary of state's office, spoke on the new operators' license and financial responsibility act. He has been in the insurance business. The financial responsibility law, he said, hinges on the driver's license act. The two were introduced and passed as companion measures. He said that people should be glad that Illinois elected to pass a financial responsibility rather than a compulsory insurance law. The subject of compulsory automobile insurance, he said, had been broached to the secretary of state. Secretary Hughes, he said, felt that a compulsory insurance act would be

harmful to the insurance carriers and in the long run to the public.

The Illinois operator's law which is the driver's license became effective July 12. The problem now, he said, is to administer it so that the people will receive maximum protection. Those associated with the department, he said, refer to it as the "operator's license law" rather than the "driver's license law." This is done, he said, because the statute itself so defines an operator, not a driver, as a person who is in actual physical control of an automobile. The most important reason for licensing operators, he declared, is to improve the quality of driving and to help motorists avoid dangerous situations.

Few Realize Importance

Few people, Mr. Forsyth thinks, realize the importance of the financial responsibility statute. Its purpose is to restrain from operation those who have accidents and those who cause accidents and are unable to pay for them. In two separate instances, he said, does the financial responsibility act apply. First, if an operator's license is revoked the individual will not again be allowed to procure such a license until he has posted proof of financial responsibility. Second, if he has an accident and a judgment is rendered against him which is not settled within 30 days he will not be allowed to drive until he has settled and has posted proof of financial responsibility. Proof of financial responsibility means proof of ability to respond to damages for any liability incurred resulting from the ownership, use or operation of an auto, for bodily injuries to or death of a person in the amount of \$5,000; for two or more persons \$10,000, or for damage to property to the amount of \$1,000 resulting from any one accident.

Proof of financial responsibility, he explained, may be given first by filing with the secretary of state a written certificate of an insurance company authorized to do business in the state, certifying that it has issued a policy equal to the amount defined in the law. Second, by posting a surety bond equal to these amounts. A real estate bond, he said, also is permissible. Thirdly, he can post securities with the state treasurer filing a receipt given by that office, and fourth, by posting cash with the state treasurer.

The Illinois insurance department, he said, is now in the process of (CONTINUED ON PAGE 29)

Iowa Mutuals Held Convention This Week

DES MOINES, Ia.—The opening day attendance of the annual convention of the Iowa Association of Mutual Insurance Associations neared the 400 mark with still more expected.

President H. J. Rowe, head of the Home Mutual, called the convention to order Wednesday and after the invocation by Rev. Wallace Essingham of Des Moines and the address of welcome by Mayor Conkling, he gave the presidential address.

Highlights of the first day were talks by A. E. Anderson of Cottonwood, Minn., president National Association of Mutual Insurance Companies and Harry P. Cooper, Indianapolis, its secretary.

Addresses Given

Other addresses were given by Hal W. Byers, attorney for Iowa Mutual, who talked on "The Future of Automobile Insurance"; A. Kopperud of Omaha, vice-president of the Federal Land Bank; O. T. Wilson, Mt. Pleasant, Iowa, National Association delegate; C. A. Norman, New Providence, Iowa; and Henry Griffiths of Des Moines.

An interesting sketch was presented by three Iowa men; Harry K. Larsen and V. W. Anderson of Grinnell acted the part of two inspectors of the Farmers Mutual Reinsurance Association making an inspection for loss prevention; and W. T. Emmons of What Cheer, followed with a sketch showing what he found as a county mutual secretary.

Other speakers were Prof. Henry Giese of Iowa State college, John Evans of Grinnell, and W. C. Children of Council Bluffs. A mutual insurance round table ended the first day's program with J. Lindley Coon of Cedar Rapids in charge of the discussion.

H. L. Gross, Sr., of the Iowa Mutual, present vice-president, is expected to succeed Mr. Rowe as president. H. L. Gross, Jr., was scheduled to remain as secretary.

New directors were named at two company meetings held on Tuesday, prior to the convention itself.

At the conference and agents meeting of the Iowa Mutual Tornado Insurance Association W. C. Children of Council Bluffs was named vice-president in the vacancy caused by the death of O. K. Maben of Garner who died this summer. Harry Sumners of Clarion was named to the board.

At the Farmers Mutual Reinsurance Association annual meeting A. G. Osian, president; John Evans, secretary; M. L. Smith and W. K. Colburn, were reelected to the board and L. G. Keeney of Grinnell was named to the board vacancy caused by the death of Mr. Maben and Sanford Wallace of Onawa filled the vacancy caused by the death of George Shaw of Plover.

Casualty Agents in Conference on Countersignature

NEW YORK—Members of a special committee of the National Association of Casualty & Surety Agents, headed by C. C. Jones, president, have been here for the past two days conferring informally with casualty and surety company executives as to resident agency laws, particularly their countersignature provision. The subject was animatedly discussed at the annual meeting of the association at White Sulphur Springs, and again at the St. Paul convention of the National Association of Insurance Agents. The latter organization recommended study be made with a view to drafting a uniform law that would prove acceptable to all states and in this task it is felt distinct progress is being made. Until the agents themselves are in accord as to the features of a uniform bill, they appreciate it would be futile to seek a conference with companies on the subject.

The interest of agents, brokers and companies is being taken into account in drafting the intended bill.

New Savings and Loan Blanket Bond Issued

(CONTINUED FROM PAGE 21)

session of such rents. The inclusion of this insuring clause should eliminate a troublesome question regarding the status of such collectors (particularly part time collectors having other employment) under building and loan blanket bonds. It should be noted that coverage does not apply to partnerships or corporations.

* * *

Deposits by School Children Insuring Clause—Because savings by school children have become an important factor in the savings program of the nation, a special insuring clause has been included which provides that each person who is appointed by or with the approval of the insured to make collections of savings from pupils in a public or private school shall, while collecting or having possession of any such savings, be deemed to be an employee and such savings while upon the premises of such school and in the possession of custody of such person shall be deemed to be in the possession of the insured in an agency of the insured. This has the effect of making the dishonesty, the

on premises and the in transit insuring clauses apply as respects deposits by school children.

* * *

Attorneys' Fees Insuring Clause—Because certain savings and loan associations operate safe deposit boxes, a provision has been included whereby the bond covers reasonable attorneys' fees incurred and paid by the insured in defending any suit or suits brought against the insured to enforce liability on account of any loss of property contained in any customer's safe deposit box.

* * *

Priority—This paragraph embodies a statement of how the bond operates as respects property of the insured and other property, i. e., property in which the insured has a pecuniary interest or which is held by the insured as collateral or held by the insured as pledgee, bailee, trustee, custodian, agent or in any other capacity and whether or not the insured is liable therefor.

* * *

Exclusions—The following exclusion clauses which form a part of Standard Form No. 16 have been eliminated from Form No. 22—Forgery, voluntary delivery, nominal value and description. Reference has already been made under

the heading "In Transit Insuring Clause" to the excess provision regarding coverage while property is in the custody of an armored car company.

* * *

Notice—Proof—Legal Proceedings—The provisions with regard to notice, proof and legal proceedings have been extended so as to provide 6 months, instead of 3, for the furnishing of proof and 18 months, instead of 12, for the bringing of legal proceedings. There has also been added a special provision whereby the Federal Home Loan Bank of which the insured is a member is empowered to give notice in certain circumstances. The inclusion of this provision in this condition and also additional language included in the condition respecting cancellation eliminates the necessity of a separate endorsement such as is now required by federal home loan banks in cases of this sort.

* * *

Arbitration Clause—A new condition has been included which provides that in case the insured and the underwriter shall fail to agree in respect of any loss not exceeding \$5,000 that the matter shall be handled by arbitration.

* * *

Automatic Premises Coverage—A new condition has been included which

provides that the insured shall be at liberty to change the situation of any of its business premises or to open new branches or agencies or to increase the number of persons employed by it. As in the case of Form No. 16, no notice to the underwriter of an increase during any premium year in the number of officers or in the number of employees need be given.

* * *

Noon Clause—A new provision has been included defining the word "noon." This makes indisputable the effective time of the coverage at any location.

* * *

Cancellation—The cancellation condition has been amplified to provide for termination not only by notice but also by the taking over of the insured by a receiver or other liquidator or by state or federal officials or upon the taking over of the insured by another institution. As previously commented upon under the heading "Notice—Proof—Legal Proceedings," provision has been made in this condition to provide, with respect to certain associations, that advance notice of termination be given to the Federal Home Loan Bank of which the insured is a member. As previously explained, the inclusion of this provision will eliminate the necessity of handling the matter by a separate endorsement as is the present practice. As is customary in contracts of this character, a short rate provision has been included. The cancellation condition with respect to employees has been modified to provide that termination as to any employee as respects whom the insured shall learn of any dishonest, fraudulent or criminal act shall be without prejudice to the insured's rights to claim on account of loss of property then in transit in the custody of such employee.

* * *

Underlying Fidelity—Fidelity bonds are sometimes carried in order to comply with statutory requirements or for other reasons. In Form No. 22 provision has been made in the case of all associations for credit for underlying fidelity bonds carried. Up to this time credit has not been given in the case of certain associations. This provision now gives certain associations designated in the rate manual as Class A the same treatment in respect of separate fidelity bonds as any other association, previously not given.

Closer Cooperation Is Foreseen

(CONTINUED FROM PAGE 21)

brought home to government, labor and capital, Mr. Combs feels confident that in the months to come cooperation will loom large in public print.

Applying the principle of cooperation to insurance, he sees evidences of a desire for greater cooperation between agents and stock companies. Stock companies, he said, represent capital and the agents labor. Stock companies, he said, have shown their willingness and desire to cooperate with agents by putting into effect such arrangements as the safe driver reward plan. Whatever criticism has been made against it, he said it is an attempt at cooperation. The national advertising campaign conducted under the auspices of the Association of Casualty & Surety Executives sounds the praise of the local agents and the agency system.

The agent, he said, is rendering specialized service. Mutuals and cut rate companies, he declared, attempt to take the cream of profitable business from the agent who is living and spending his money in the community.

Mr. Combs, who is head of the claims department, said that the company is following the practice of promptly settling all claims that should be paid. On-sizeable risks the company will make claim surveys.

WEDDING RINGS

Wedding rings were originally signet rings. In ancient times, when few could write, seals were used in all important transactions as evidence of the binding nature of the bargain. Giving the wife a seal or signet at marriage was therefore a visible sign that the husband endowed her with equal rights with himself, and made her an equal partaker of all his 'worldly goods.'

—"Words, Facts and Phrases," Edwards.

The franchise given to an agent by this Company is a symbol of confidence and trust.

Bankers Indemnity Insurance Co.
Newark, New Jersey

« Casualty Affiliate of The American Insurance Group »

The Plan of Hospital Insurance Developed by Continental Is a Distinctly New and Different Line . . . of Interest to Every Multiple-Line Agency with the Facilities Necessary to Build and Service a Large Volume of This Business. Contacts with Employers Through Other Lines Is the Key to Profitable Development.

An Old Pioneer Enters a New Field HOSPITAL INSURANCE

The Continental Casualty Company has pioneered in the field of Accident and Health insurance for more than forty years and has developed many unusual forms of Accident and Health policies. Now . . . after more than three years of extensive research . . . it offers a New Hospital Plan . . . the most unique on the market . . . because:

1. The insured can select any hospital in the world, his own Doctor, his own Surgeon and his own Nurse.
2. It pays CASH to the insured; he pays his own bills.
3. It fits everyone; costs as little as 2c a day or as much as 13c.

Continental's hospital plan can be made available

to employee groups of five or more persons. Dependents may be included. A tested, efficient method of merchandising makes it possible to write a large volume of business quickly. Each new client becomes a prospect for other lines.

We submit this plan to the insurance fraternity as evidence of our belief that private enterprise, not socialization, can best solve the problem of adequate medical care for everyone. And we further believe that the American Agency system makes possible an unsurpassable standard of local service.

Inquiries are invited from prominent agencies in every city . . . agencies interested in adding an entirely new line to their multiple-line facilities.

A New, Complete, Four-way Optional Coverage Hospital Plan

HOSPITAL EXPENSE: Provides CASH for the payment of hospital expenses while in ANY licensed or registered hospital in the world. Benefits paid from first day of hospital confinement and continue for THREE MONTHS at rate of \$100, \$150, or \$200 a month, depending on plan selected. Special allowance of \$15, \$22.50, or \$30 for operating room, laboratory, anesthesia, X-ray and ambulance. Costs as low as 60c a month.

SURGICAL OPERATIONS: Provides CASH for the payment of fees for all operations, including fractures, dislocations and minor surgical attention. The basic plan pays amounts ranging from \$5 to \$100. One and one-half times, or double this amount of protection may be taken. Costs as low as 50c a month.

NURSE SERVICE: Provides CASH for the payment of the expense of a graduate nurse, no matter where she is employed. Pays from first day, at rate of \$100 or \$150 a month depending upon plan selected, up to THREE months for any one accident or illness. Costs as low as 50c a month.

MEDICAL TREATMENT: Never before a feature like this. Provides CASH for the payment of doctor bills when disabled, whether treatment is secured at home, the doctor's office or in a hospital, up to FIFTY VISITS, beginning with fourth visit. Rate for each visit is \$2 or \$3, at the option of the assured. Special benefit of \$6 or \$9 paid even if not disabled. Costs as low as 60c a month.

CONTINENTAL CASUALTY COMPANY

DISABILITY DIVISION HOSPITAL DEPARTMENT

910 SOUTH MICHIGAN AVENUE . . . CHICAGO, ILLINOIS

PERSONALS

Frank Quirk of the casualty department of the Texas insurance commission, Austin, son of W. H. Quirk of the Quirk & McAllister general agency of San Antonio, was married to Miss Rosemary Clopton of San Antonio.

Friends of J. L. Kirkwood, secretary of the Towner Rating Bureau and rating expert extraordinary, are sending him congratulatory messages following the wedding ceremony performed at St. Barnabas Roman Catholic Church,

Yonkers, Nov. 17, where Miss Gertrude P. Shoemaker of that city became Mrs. Kirkwood. Prior to the ceremony Mr. Kirkwood was honor guest at a luncheon given by a number of prominent surety men, R. J. Hill of the Maryland Casualty acting as toastmaster. Mr. Kirkwood joined the Towner Rating Bureau in 1916 after leaving a Brooklyn high school, and has been doing yeoman service for the organization ever since.

Thomas A. McGehearty, 58, assistant vice-president of the Liberty Mutual, died at his home in Everett, Mass. He was born in Warwick, R. I. He joined the claims department of the Liberty

Mutual in 1913, served for some years as assistant general claims manager and was made assistant vice-president in 1934.

Leverett Saltonstall, governor-elect of Massachusetts, has resigned as a director of the Employers Liability.

ASSOCIATIONS

Optimism in Mountain Field as Result of Election

DENVER—A strong note of optimism was struck in discussions at the monthly meeting of the Mountain States Casualty & Surety Association. It was agreed that a majority of the men elected to the legislature last week are conservative in policy and will be sympathetic to insurance interests.

The consensus was that probably increases in taxes to take care of old age pensions will take the form of an additional sales tax rather than any further penalty being placed on business. A definite upturn in both premiums and collections is anticipated as a result of the conservative swing. The meeting was exceptionally well attended, every office in the association being represented, many by several men.

Brodsky Gives Talk

John C. Brodsky, assistant resident manager in charge of bonding at the New York City office of the Fidelity & Casualty, spoke on "The Fundamentals of Suretyship" before the Insurance Institute of Philadelphia Monday. For several years he conducted the full series of lectures on "Fidelity and Surety Bonds" for the Insurance Society of New York.

Columbus Claims Men Meet

The Columbus, O., Claims Club is preparing a directory of insurance claim adjusters for that city. A list of all insurance companies other than life and fire will also be included. Semi-monthly meetings are held on second and fourth Mondays, the attendance averaging about 40 per meeting. There are 85 members. Officers are: F. R. Patterson, American Automobile, president; H. J. Deobald, Lumbermen's Mutual Casualty, vice-president; C. E. Moul, Ohio Farmers, secretary, and Rodger Snyder, Town & Village Insurance Service, treasurer. A joint meeting is planned with the Lawyers and Barristers Clubs. Coach Francis Schmidt of Ohio State Univer-

sity is the scheduled speaker. Election of officers will be held the last meeting this year.

Engineers to Meet on Nov. 18

The first fall meeting of the Casualty Engineers Association of Chicago, originally scheduled for Nov. 11, will be held Nov. 18 in the Midland building. W. S. Sheldon of Fred S. James & Co. will discuss "What an Underwriter Requires in Connection with Automotive Inspection Work." The formation of a program to be followed during the club year will be discussed.

San Antonio Claim Men Meet

SAN ANTONIO, TEX.—The San Antonio Claim Men's Association discussed the importance of cooperating in exchange of information where there is reason to believe that a claim is questionable and that the claimant makes a business of filing claims. A moving picture was shown portraying modern surgery in the correction of bone deformities or results of injuries.

Hear Report on Coast Index

LOS ANGELES—The Casualty Insurance Adjusters Association of Southern California heard a report from Charles Griffen, in charge of southern California investigations for the Pacific Coast Index, that Miss Mooney, manager of the branch just established in Los Angeles, is in New York completing arrangements for the inclusion of the Pacific Coast Index and its Los Angeles branch in the operations of the National Index.

A resolution of sympathy on the death of Frank M. Parrish, general solicitor claims bureau Association of Casualty & Surety Executives, was adopted.

President William Cleves announced the appointment of Attorney A. W. Davis as chairman of the California State Bar committee that will take up negotiations with the adjusters in an effort to effect a treaty on the practice of law question.

O'Connor to Address Group

J. C. O'Connor, editor Fire, Casualty & Surety Bulletins and associate editor of THE NATIONAL UNDERWRITER, will speak at a meeting of the Casualty Underwriters Association of Chicago on the "New Illinois Financial Responsibility Law," Nov. 23. Dinner will precede the meeting at the Yankee grill in the Field building. A number of new members will be admitted.

Consult
Our Special Risk
Public Liability Department
Comprehensive
Blanket
All Risk Policies

Great Lakes Casualty Company
Detroit, Michigan

INSURANCE EXCHANGE BUILDING
175 WEST JACKSON BOULEVARD

CHICAGO BRANCH OFFICE

**COMPLETE
FACILITIES**

MULTIPLE LINE SERVICE

Liability and Property Damage	Accident and Health	Burglary
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Garage	Sports	Storekeepers
Owners	Golf	Mercantile Safe
Landlords	Teams	Payroll and Messenger
Tenants	Contingent	Mercantile
Elevator	Plate Glass	Open Stock
Products	Full Coverage	Bank
Theatre	50-50 Retention	Fraud
Manufacturers	Carrara and	Home Protection
Residence	Vitrolite	Church
Employers	Workmen's Compensation	Office
		Fraternal Protective

E. W. MORSE
Resident Manager



AMERICAN CASUALTY

COMPANY OF READING, PENNSYLVANIA

ACCIDENT AND HEALTH

Renewed Activity Launched by Pittsburgh Association

PITTSBURGH—Plans for renewed activity by the Pittsburgh Accident & Health Managers Association were discussed at a meeting Monday night. President C. H. Bokman, New Amsterdam Casualty, announced that a business meeting will be held in two weeks, at which the subject to be discussed will be: "What I have learned in the insurance business that will help the other fellow."

W. M. Ivey, manager Monarch Life, announced a debate on the proposed state health insurance bill Saturday night under the auspices of the Exchange Club of Pittsburgh. Debaters will be A. L. Tronzo, member of the legislature who introduced the bill and Dr. George Harris, secretary Allegheny County Medical Society. Mr. Ivey voiced the opinion that insurance men should join with the medical profession in opposing the bill.

Murphy to Assist Holtzman

George F. Murphy, who has been associated with the Fagin-Newell-McQueen Company, Racine, Wis., and for the past five years has been vice-president and manager of its life and accident department, has joined the Mutual Benefit Health & Accident as supervisor of west central New York. He will assist Manager A. M. Holtzman, with headquarters in Rochester, N. Y.

R. J. Dorr Feted on 25 Years

Russell J. Dorr, chief accident underwriter of Connecticut General, has completed 25 years service with the company. Accident applications poured in from all parts of the country in a testimonial drive, and Mr. Dorr received congratulatory messages from friends and a basket of flowers and a service pin from the company. He was guest at a luncheon at the Hartford Club, given by company officers and his associates and at a dinner given by the accident department, when a barometer was presented him.

Kutak Heads Claim Group

J. F. Kutak, secretary of the Sterling, was elected president of the Chicago Claim Association, succeeding T. W. Hislop, formerly of the Great Northern Life. Other officers elected include C. T. Kingston, Connecticut General, vice-president; T. J. O'Neill, Pacific Mutual, treasurer, and J. R. Kennedy, Federal Life, secretary. The executive committee includes T. L. Anderson, Federal Life, chairman; C. O. Pauley, Great Northern, and Garfield Donovan, Benefit Association of Railway Employees, former secretary of the association.

Two New Nebraska Companies

LINCOLN, NEB. — The Great American Health & Accident of Lincoln has been licensed in Nebraska. H. M. Vosburgh is president; G. C. Duling and Anastacia McLaughlin, vice-presidents; M. T. McLaughlin, secretary-treasurer. These with Dr. T. F. McCarthy, medical director, compose the directors. It will operate on the assessment plan.

License also has been issued to the American Standard Health & Accident of Omaha, incorporated by Frank Edia, Carol Reida, E. B. Hale and others.

Issue Chicago Directory

A directory of the Chicago Accident & Health Association, showing the officers, directors and various committees, the program ahead during the next year, and giving a register of members, has just been published. It is of pocket size with a board cover. Harold L. Bredberg, president National Service & Appraisal Company and treasurer of

the association, was chairman of the committee in charge of preparing the directory. It contains a foreword by A. D. Anderson, Continental Casualty, association president.

Combat Socializing Medicine

SAN FRANCISCO—The insurance fraternity of the nation should join with the American Medical Association in combating socialization of medicine and hospitalization, according to Milton

Monasch, superintendent of the medical insurance division of Associated Indemnity, in a message to California brokers urging them to meet the situation by selling medical and hospital reimbursement insurance, now available through an increasing number of companies.

See "Word Magic" Film

DETROIT—The Detroit Accident & Health Association, with 75 in attendance, witnessed a presentation of Aetna Casualty talkie, "Word Magic," in which Elmer Wheeler, sales expert, advises salesmen to sell the sizzle instead of the

steak. G. E. Reitzel, Michigan Life, presided and David Hoover, Reliance Life, gave the history of Mr. Wheeler as a curtain-raiser for the film.

Bond Discussion at Spokane

SPOKANE, WASH.—A meeting with about 50 in attendance was held here under the direction of the Washington Insurance Agents League and the Surety Association to discuss fidelity bonds. Speakers were LeRoy B. Way, chairman surety committee of the state league, and A. O. Stuberger, manager Massachusetts Bonding, Seattle. An open forum followed.



*Strength
stability
service*

Multiple line
facilities that please
discriminating
agents.

**CENTRAL SURETY
AND INSURANCE
CORPORATION**

HOME OFFICE • KANSAS CITY, MISSOURI

NEWS OF CASUALTY COMPANIES

Lafayette Being Organized in N. Y.

A statutory notice of intention to organize the Lafayette Indemnity under the laws of New York to write general casualty and surety is being published. The proposed capital is \$1,000,000. Head-



J. HORACE SHALE

ing the list is J. Horace Shale, 41 Frame Place, Flushing, L. I. For many years he was connected with casualty insurance and is slated to be an officer of the Lafayette Indemnity. He states that the capital has been subscribed at twice par to give the company a surplus of \$1,000,000. He also says that

with no unforeseen delay in complying with the legal requirements the company should be ready for business the first of the year. Organization offices have been opened in 70 Pine street, New York City. Mr. Shale was formerly vice-president and general manager of the Commercial Casualty.

He was made an official of the Pennsylvania Surety of Pittsburgh but later retired from business.

Manufacturers to Expand

The Manufacturers Casualty of Philadelphia, which has a western department in Chicago in the Insurance Exchange in charge of Manager J. J. Elligette, proposes to extend itself beyond Chicago and Cook county where its activities have been largely centered in order to get a foothold. It has been appealing to brokers. It writes a general line of casualty business including compensation. Manager Elligette has been dealing with brokers and has built up a comfortable business already. He was formerly manager of the Pittsburgh office. It is likely that a field man or two will be appointed to deal with the business outside of Cook county.

United Pacific Examination

The United Pacific of Seattle, examined by the Washington department as of July 1, shows assets \$2,371,621, contingency reserve \$65,000, loss reserves \$441,886, premium reserve \$859,203, capital \$400,000, net surplus \$428,398.

Hold Open House in Chicago

The Chicago branch office of the American Casualty, which has just moved into new, larger quarters in A-1848 Insurance Exchange, held a house warming with Harold G. Evans,

president, who was on from the home office at Reading, Pa., and Edward W. Morse, Chicago manager, as the hosts. R. H. Moore, special agent, who travels Indiana largely, and Frank E. Meyer, in charge of claims in the Chicago office, assisted.

New Mexico Auto Rates Cut

A substantial reduction in automobile insurance rates was put into effect in New Mexico Nov. 16 by the National Bureau of Casualty & Surety Underwriters.

The new rates provide for a reduction from \$20 and \$25 to \$16 for public liability for private passenger cars and from \$11 and \$7 to \$5 for property damage.

Minnesota Driver's License Bill

ST. PAUL—A bill to require Minnesota motorists to pass a mental and physical driving test has been drafted by the Minnesota Safety Council and will be presented to the legislature in January.

Mandatory revocation of his license when a driver is convicted of speeding three times in a year is a proposed provision. In all cases drivers would have to renew their licenses every two years.

Restricted licenses would permit handicapped motorists to drive under certain conditions.

Hear Traffic Safety Talk

DES MOINES—The Casualty and Surety Club of Des Moines heard a talk by J. V. Addy of Travelers at its luncheon Monday on traffic safety. An open discussion followed. The club will hold its next meeting Nov. 28.

The Columbus, O., city council has postponed action on a proposed ordinance for compulsory automobile inspection, having been informed that the question will be dealt with on a statewide basis at the next session of the legislature.

Investment Company Opens Ohio Office

The Automobile Investment Corporation of Indianapolis announces the appointment of

Harry B. Gooby as sales manager in Ohio. He has a background of many years in the casualty insurance field and is familiar with the problems of casualty agents.

The finance plan of Automobile Investment Corporation has provided many agents with facilities for meeting the competitive problem of automobile financing. With this service now available through their insurance agents, buyers of new car models offer an agent many prospects for increasing his automobile volume from present clients. Offices are established at 20 South Third street, Columbus, O.



HARRY B. GOOBY

Opens Two Indiana Offices

The Michigan Mutual Liability has opened branch offices in Indianapolis and South Bend. H. M. Jones, formerly manager at Saginaw, Mich., is placed in charge at Indianapolis.

Swisher With Accident & Casualty

Lynn D. Swisher, for several years rate clerk in the Indiana insurance department and prior to that with the Indiana Inspection Bureau, has been appointed Indiana special agent of the Accident & Casualty.



GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Items from Financial Statement of June 30, 1938:

Capital	\$1,000,000.00
Surplus	5,861,042.62
Loss Reserve	5,991,419.79
Premium Reserve	2,312,622.36
All Other Liabilities	893,798.03

Total Admitted Assets . . . \$16,058,882.80

Securities carried at \$935,882.41 are deposited in accordance with law.

Casualty, Fidelity and Surety Reinsurance

COMPENSATION

Propose 4.9% Rate Cut in Minnesota

ST. PAUL—A reduction of 4.9 percent in workmen's compensation rates in Minnesota for 1939 was proposed by the companies at a hearing held by the Minnesota compensation insurance board.

If this proposal is approved it will be the fourth successive reduction in rates in Minnesota, aggregating slightly more than 30 percent over the four years. Compensation insurance premiums in this state have nearly doubled since the low point was reached a few years ago.

Two other matters were considered by the board at its hearing. One was the short rate cancellation table used by the companies, over which there has been some dispute. The Minnesota compensation rating bureau has adopted the short rate plan approved by the National Council on Compensation Insurance, over the protests of some members of the bureau.

The request of W. H. O'Toole, representing the Associated Contractors that the board adopt a new rate-making plan in Minnesota, was considered. For several years Mr. O'Toole has contended the present plan is not equitable.

G. V. Fuller, secretary of the National Council, represented that body at the hearing.

Move to Frame Arkansas Compensation Law for '39

In view of the fact that in the recent election the voters authorized the legislature to enact a workmen's compensation law in Arkansas, Governor Bailey is expected to arrange for the appointment of a joint house and senate committee. This committee will confer with representatives of insurance, industry and business in an attempt to agree upon a bill for introduction in the 1939 legislature.

Should the Arkansas legislature at its next session enact a workmen's compensation law, which the adoption of an amendment to its constitution at the recent general election empowered it to do, Mississippi will be the only state without such a statute. Sentiment in Arkansas is understood to strongly favor passage of a compensation law, and a bill of such character is now being prepared.

Acord With Seeley & Co.

Harry Acord, for the past few years with the Maryland Casualty in its Los Angeles office, has resigned to become special agent in the Los Angeles office of Seeley & Co.

G. H. Batt of the Jenkins Bros. agency, Richmond, Ind., is the father of a baby boy.

WANTED

An aggressive Special Agent, experienced in all casualty lines including bonds, acquainted in Indiana, to travel the State of Indiana, with headquarters in Indianapolis. A good position for right man. Our present force know of this open position and no one need hesitate to write us in confidence stating experience, qualifications, age and references.

**Address J-10,
THE NATIONAL
UNDERWRITER, CHICAGO**

Two New Illinois Motor Statutes Are Explained

(CONTINUED FROM PAGE 23)

said, is having made up samples of the certificate to be used by the insurance company when proof of financial responsibility is required to be filed to show proof that such insurance has been purchased and the certificate will then be filed with the secretary of state.

This certificate form, he said, is made up in groups of four. One is sent by the agent to the company. He retains

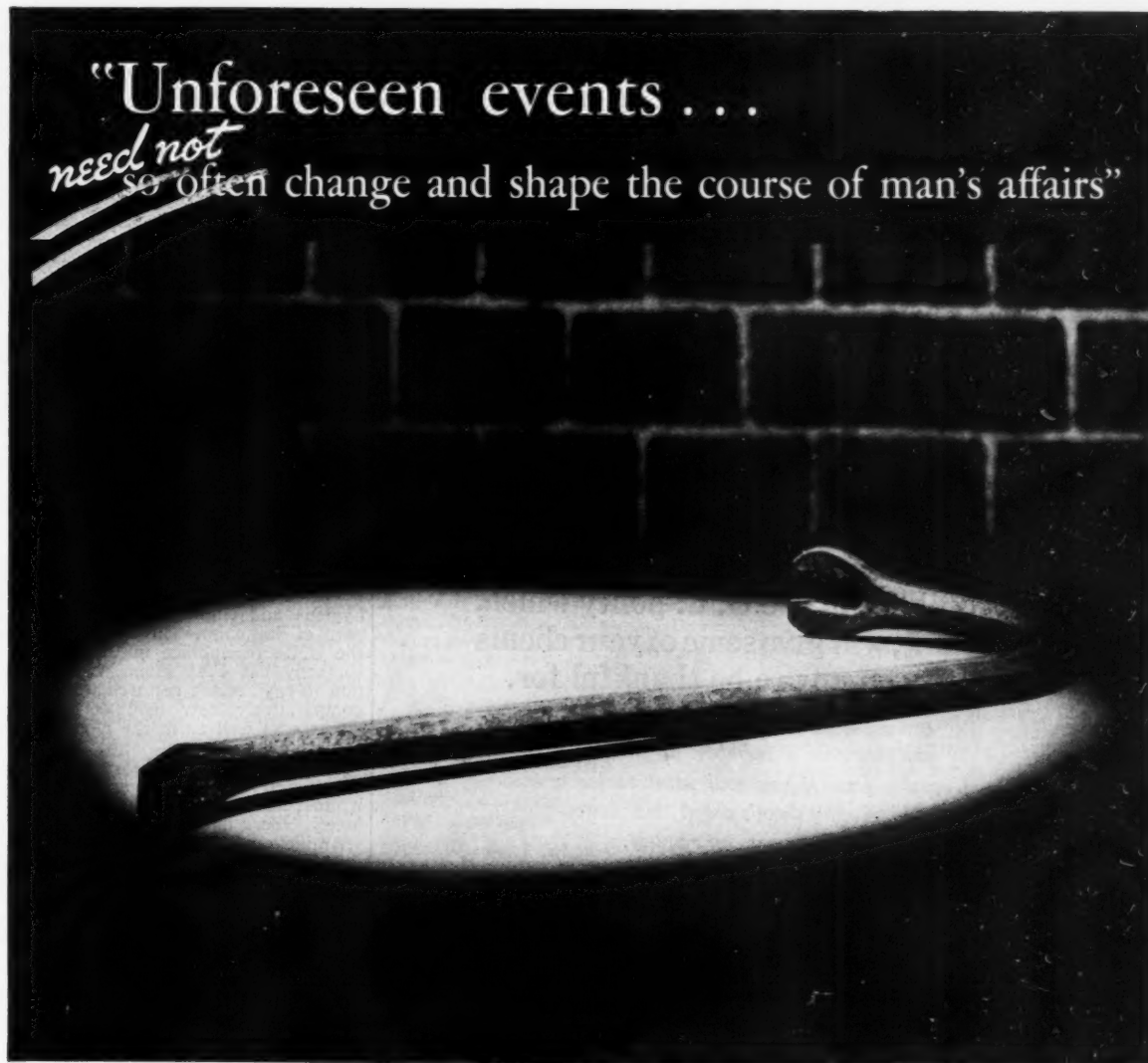
one and sends two to the secretary of state. The secretary of state files one and forwards the other to the insurance company where it will be connected up with the form which the agent sent. This is to enable the company to protect itself against any unscrupulous person who might use the insurance company's name and not actually be insured by it. These forms, Mr. Forsyth said, will soon be in the hands of the various companies.

Mr. Forsyth said that his office is attempting to interpret the law to make an individual protect himself not only when he has filed an ownership policy

with the secretary of state but also from accident when he is operating a car which does not belong to him. In other words, he said, his office feels that an owner's policy should contain an operator's clause which will protect the driver in case he has an accident with the owner's car.

Question Is Answered

Mr. Forsyth was asked whether the owner of a car who does not drive it nor does he drive any other car needs to have a driver's license. In a case of this kind another member of the family



"Unforeseen events . . .
need not
so often change and shape the course of man's affairs"

MR. B. LEFT HIS CALLING CARD . . .

He also left a thoroughly ransacked home. But tomorrow morning a dismayed owner will miss some things the burglar did *not* leave behind—treasured family silver, a diamond ring, an expensive fur coat.

Statistics show that *your* home stands the chance of being burglarized *six times* for every time it catches fire! Yet many of us, who wouldn't think of being without fire insurance, seldom give a thought to protecting our home against a visit from the insidious "Mr. B."

It is quite natural.

Fires are "well advertised"—they are noisy, spectacular af-

fairs. Theft, on the other hand, is a stealthy, under-cover operation. The burglar works in silence, in darkness. Seldom is he caught in the act. Also, burglary is actually so common today that it must have an unusual "news twist" to be published in your newspaper!

In this, its fortieth anniversary year, The Maryland will reimburse thousands of policyholders for losses by burglary, hold-up both on and off the premises, and theft by servants, delivery men and solicitors. Burglary and robbery policies to protect your store, factory or office, too, can be obtained from any of the 10,000 Maryland agents.

THE MARYLAND

MARYLAND CASUALTY COMPANY • BALTIMORE

SILLIMAN EVANS, Chairman of the Board

EDW. J. BOND JR., President

This advertisement appears in FORTUNE • TIME • FORBES and BUSINESS WEEK during the month of November

does all the driving. Mr. Forsyth answered as follows:
Dear Sir:

Where one owns a car but does not drive, it will not be necessary for him to have an operator's clause on his owner's policy for he does not drive his own car or any one else's. Let us

assume that an individual has his car insured but takes out the car of another individual who does not have any insurance and wrecks that car and the car of the individual with whom the collision occurred. If a case were brought and the suit were lost, one can see that it is obvious that this individual

would not be protected unless he had a clause in his own policy protecting him when driving his own car or any one else's.

Sues to Invalidate Virginia Law

(CONTINUED FROM PAGE 21)

tersigner collects the premium or sees to such collection.

The countersignature by company men without receiving the usual and customary commissions, and prevents the company from procuring such countersignatures without expense or by paying for the countersignatures of said contracts, amounts of compensation commensurate with the value of the services rendered or as mutually agreed which are less than one-half of the amounts of such usual and customary commissions.

The countersignature by company men at the request of brokers or agents not licensed in Virginia.

The allowance or payment by company men to non-resident brokers or agents not licensed by Virginia of any portion of the commission which said plaintiffs receive.

The payment by company men, who shall countersign contracts, to those who are licensed by Virginia as non-resident brokers of more than 50 percent of the usual and customary commissions.

Zurich Establishes New Division

The Zurich announces that it has established a new division of industrial hygiene and engineering research as a part of its engineering department at the U. S. head office in Chicago. The company has been giving more attention to engineering research work in the comparatively new field of industrial diseases as well as in the older field of industrial accidents.

The management believes that in order to render the best possible service it must make available to its agents and policyholders adequate facilities for the scientific study of conditions and processes which are responsible for claims. These new facilities are particularly important in connection with workmen's compensation risks and also in the proper handling of its growing volume of group accident and health business.

Warren A. Cook, who has just completed his first year of service with the Zurich, will be in charge of this new division. He is a member of the American Chemical Society, American Society of Mechanical Engineers and the American Public Health Association (Industrial Hygiene Section). In addition to serving on committees of these societies he has also been actively interested in the work of the Air Hygiene Foundation of America, the American Foundrymen's Association, the National Manufacturers Association, as well as various other industrial and scientific groups.

R. R. MacDonald has been appointed superintendent of the engineering department at the U. S. head office. He has been with the company since April, 1920, and during the last 10 years he has been located in the New York office, in charge of all engineering and inspection work of the eastern department.

Motion Pictures as Evidence

Courts in recent years have taken a more liberal attitude regarding the use of motion pictures as evidence, said A. R. Peterson of Eckert and Peterson, Chicago law firm, in addressing a meeting of the Casualty Adjusters Association of Chicago. Starting with a case decided in 1881, in which a stereoscope view was admitted as evidence, he outlined the successive stages of the use of photography in the courts. As motion

pictures are peculiarly susceptible to fabrication, the courts take unusual precautions before admitting them, he said, emphasizing the necessity of laying a strong foundation in a case prior to their introduction. Properly used they frequently prove a persuasive force.

There are not more than 30 reported cases by American courts of review dealing with the admissibility of moving pictures as evidence, he stated. None were reported for more than 13 years after moving picture cameras were successfully made in 1900. Mr. Peterson's address was illustrated with films used on actual cases.

Rochester Board Is Host to Noted Men

(CONTINUED FROM PAGE 4)

ship in the board, Mr. Van Schaick urged that insurance men continue to give Superintendent Pink the same co-operative support that he (Mr. Van Schaick) had enjoyed. Touching on the proposed insurance law revision, Mr. Van Schaick observed that questions sometimes have to be resolved in the larger interest of the insurance field rather than of the people immediately concerned.

Time to Talk Turkey

November—month of festive boards, football, and a hint of freezing weather to come—is the time when merchants look forward to Christmas business.

This Fall, everything points to a healthy holiday trade. Good reason to make store owners good prospects for General Liability Insurance. The hazards of ice and snow and shopping crowds suggest a definite need for this protection.

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POINTERS FOR LOCAL AGENTS

Basic Principles Given for Successful Selling

F. W. Potter of Hartford, field supervisor of the Aetna Casualty & Surety, in his talk before the Illinois Association of Insurance Agents at Peoria, spoke on "Basic Principles for Successful Selling." He has studied salesmanship very comprehensively from the insurance standpoint. He is an instructor in the famous Aetna Casualty training school and speaks very often at meetings of Aetna Casualty agents.

All Are Natural Salesmen

Many agents, he said, think that to be successful about all that is necessary is to be a smooth talker and to have the "gift of gab." A number think that salesmen are born and not made. After seven years of recruiting men for insurance, then training them in the sales school and following over 1,600 of them in the field, looking over their production record and seeing them at work, Mr. Potter has come to the very definite conclusion that everyone is a natural born salesman and can succeed in insurance if he will but use a few basic principles. He enunciated five of these, which he regards as highly important.

"No. 1: Be an optimist. Optimism generates enthusiasm and if you are enthusiastic about what you have to sell, it often spreads to your prospect. Feel good inside and look cheerful outside—smile! A short while ago, a girl was awarded \$5,000 by a jury because, in an automobile accident a nerve in her face was severed, making it difficult to smile anymore. Did you ever stop to figure out what a jury would give you for your smile if they could see it in its average state? Read the papers with the idea of finding constructive things to mention to your prospect, for it is almost impossible to sell a man when you have him feeling that business is going to the dogs, the new deal is not what it ought to be and that his sales are away behind last year's. If you have a full reservoir of good constructive news, figures and statements, it is surprising how easy it is to keep your prospect from getting 'sorry for himself' just when you want to close a contract he needs.

Organization of Pre-Approach

"No. 2: Pre-approach is still half of the sale. I have seen so many good prospects ruined by lack of proper pre-approach, and found so many sales made easy when the proper information was secured in advance of the interview. Once I worked with an agent on 'combination residence'—a policy giving complete protection on a man's home. The agent simply had fifteen names on

the back of an envelope and that was all he figured he needed to start the day's work. I let him handle the first interview. He started by saying: 'Remember, a special clause in this policy is the explosion clause, and when your heater explodes and takes part of the house with it, we will pay.' The prospect interrupted to say: 'I have a hot-air furnace.' The agent then said: 'You sure will like the liability clause. It covers your dog biting anyone, and we even write police dogs. Also, it covers your maid falling down stairs. Pretty good, don't you think?' The prospect smiled and said: 'It would be if I had a dog, and remember, my wife and I do all the work at our house.' Needless to say, no sale was made and the agent was discouraged after the interview, and suggested selling accident insurance the rest of the day.

Get Definite Information

"I then said to the agent: 'Let's find some definite information on the next prospect and see how it goes.' We found that the prospect played golf, went hunting and fishing, had several beautiful rugs and his wife some expensive jewelry; that they went south in the winter, the plumbing had been in over 10 years, and there was a large glassed-in porch. We then emphasized under the 'combination residence' policy, the sports liability clause, the very broad burglary and holdup clause, including vacancy for six months, the water damage clause covering all leaks and breaks in the plumbing even while the tenants are away, and the complete glass breakage clause. Everything clicked with the prospect and we had a three year premium of \$280. Since then the agent has been very careful of his pre-approach work and is one of our best salesmen on combination residence insurance.

New Interviews Each Day

"No. 3: Get down to business. Every agent should aim to have from 10 to 15 interviews a day on new business. I have made this statement at many meetings with agents and also in personal interviews, and there are plenty who will not agree with me. I spent two hours with an agent once who said that three interviews with his collections and renewals were all that he could be expected to make—day in and day out. I went out to work with him the next day and soon found out the reason. The first prospect we called on, he greeted with this remark: 'Saw you on the golf course Sunday. How did you make out?' Therewith

we went over the whole 18 holes and played every stroke. Then, the prospect asked the agent how he did the same day, and we played 18 holes more, discussing the merits of the short holes and how the long ones could be shortened and the water hazards made easier. By that time the phone rang, and the prospect's secretary said he had a customer outside. The prospect, rising, suggested we come around sometime when he wasn't so busy. We had used up three-quarters of an hour of a busy man's time and certainly, I had nothing for my report and the agent was tired out from his two rounds of golf.

Had Profitable Day

"I handled the next interview, starting something like this, after being introduced by the agent: 'Mr. Jones, (with a smile) I notice you are busy, but I have a very unusual, broad and up-to-date contract on your home, something quite new and I think it will interest you if I may have just a few minutes of your time.' He nodded to go ahead and in ten minutes I had covered every major point in the contract and had made a sale. After filling out the application, and leaving the office, we looked at our watches and found that just 18 minutes had elapsed from beginning to end. We made 19 interviews that day and needless to say, we both had a profitable day, because, as is usually the case, the more interviews, the more sales, and that means more commissions. If you are going to sell any contract, practice getting your presentation down to 10 or 12 minutes. I make it a rule to make the longest sales presentation not over 12 minutes, as that is about as long as most business men will concentrate and usually interruptions will start coming if you haven't made your close by that time.

Create Prospect Interest

"No. 4. Use the question method. To create the interest of your prospect at the very start of your interview, nothing is more effective than asking him one or more leading questions. This method is particularly helpful with cold canvass and when calling upon prospects with whom you have had little previous business contact. Always make the questions such that they create interest and usually of a type that only you know the answer. For instance, when soliciting automobile insurance cold canvass, I start something like this: 'Good morning Mr. Jones (with a smile). I see you are busy and don't wish to take but a few minutes of your time. I know you own an automobile and there are so many things to be considered in buying automobile insurance that I would like to ask you just a few questions regarding your present policy.' (If he hasn't any automobile insurance, he usually says so at this time and I can handle my sales talk ac-

cordingly). I ask: 'Mr. Jones, what is the legal age for driving in your present policy?' He usually replies: 'Let's see. I just don't seem to remember.' Then I usually ask in rapid succession, and receive about the same response from him: 'Does your policy provide coverage on only your own car, or can you drive your neighbor's car and be protected?' 'Has your son the right to give permission to others to drive your car?' 'Is your chauffeur covered for personal injuries to himself?' 'Is your policy one of indemnity where you pay first and seek indemnification from the company?' I have 14 leading questions on automobile insurance, but it is unusual to go beyond question four of five, before he presses a button and asks his secretary to bring in his policies, and after looking at his automobile policy for a few moments with a sort of blank look on his face, he tosses over his policy for you to find the answers. From there on it is up to you. You know what your competition is, the expiration date, limits, etc. What a golden opportunity for a salesman. You should have several good leading questions on every type of policy. I have nine for residence burglary, but seldom need to use but three.

Use of Gadgets

"No. 5: Sell the gadgets. I talked with the leading salesman of a certain make of automobile in a large eastern city and asked him concerning his sales technique. He said: 'It's the little things about the car that help the sale. The other day a man and his wife came into the show room to look at a certain model, and after lifting up the hood and showing them the motor, the wife remarked that all motors looked alike.' I then changed my tactics and said 'I wish you would look inside of the car. You will notice we put a vanity case on each side of the rear seat, with a handy cigarette lighter beside it. It is something quite new in this year's model.' Immediately the wife started to show interest and the color of the car began to appeal to them. It wasn't long after explaining a few more gadgets that the car was sold. The motors all looked alike, but the vanity case was different.

"We have some perfect gadgets that go with every policy. Take contracts and list all the extras or gadgets and you will be amazed at how interesting your sales talk can become. For instance, take the residence burglary policy. I usually sell this policy something like this: 'Good morning, Mr. Jones (with a smile). Our company has brought out a very complete burglary policy on your nice home. Perhaps I should say it is a burglary, theft, larceny and robbery policy, for it not only covers you when burglars break into your house, but also if you are away at the movies and they climb up the front porch and get in through the

(CONTINUED ON PAGE 37)

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Prospect of Hostile Legislation Reduced

ST. PAUL—An unmistakable swing to the right by Minnesota voters has lessened substantially the chance of undesirable insurance legislation at the coming session of the legislature. Republicans took complete control of the state government and while the incoming administration is pledged to liberal and progressive management of state affairs insurance men feel they have little to worry about as regards radical insurance proposals at the session in January.

Prospects of Conservatism

It is expected that the usual grist of insurance bills will find their way into the hoppers but with conservatives firmly in control of both houses prospects of the passage of unwanted legislation is believed to be slim. W. B. Anderson of Minneapolis, chairman of the insurance committee of the state senate, was re-elected and Senator C. N. Orr, St. Paul, who long has been a dependable member of the upper house, retained his seat.

Of interest to insurance people was the election of J. A. A. Burnquist, president of Palladium Life, Minneapolis, as attorney general. He is a former governor of Minnesota.

Iowa Agents Hold Meeting Dec. 5

DES MOINES—B. C. Hopkins, Des Moines, president Iowa Association of Insurance Agents, has called an executive committee meeting here Dec. 4. The association will hold a general meeting Dec. 5. Only members are invited. The meeting will start at 11 a. m. at the Chamberlain hotel. Walter H. Bennett, secretary National Association of Insurance Agents will speak at the luncheon. The general meeting will continue through the afternoon.

Mr. Bennett will be in Des Moines in connection with the meeting of the National Association of Insurance Commissioners, which starts that day.

The state association has been active in increasing its membership and is expected to show a material increase by the time of the Dec. 5 meeting. The luncheon is open to members only so as to aid the membership drive.

In connection with the membership drive, John S. Cutter of Shenandoah, secretary, has put out a roster of members in booklet form, which is now being mailed to the organization. Accompanying the roster is a list of its non-members, whom the organization hopes to have join its ranks.

Minnesota Agents to Stress Public Relations Work

MINNEAPOLIS—Public relations activities will be given much attention by the Minnesota Association of Insurance Agents the coming year. This was decided on at a meeting of the executive committee here. A strong committee will be entrusted with this task and it will seek to "sell" stock company insurance to the public through speakers at meetings of business men throughout the state.

The executive committee also approved plans for a vigorous membership drive. A. A. Hirman, Rochester, chairman of the membership committee, will name two agents to work with each regional vice-president to get new members as well as stir up association enthusiasm among the old members.

Other matters considered by the committee were the automobile finance problem, the "in and out" rule and association dues. The committee decided to enforce its rule that all members must report their fire, windstorm, casualty and surety premiums, dues to be based on the premium volume. Beginning Dec. 1 all members will be billed on this basis. At present members of the local boards in St. Paul and Minneapolis are assessed only on their fire and windstorm premiums and they have opposed including casualty and surety business.

After this step has been taken the association will set up a budget which may include employment of a full-time secretary.

Milwaukee Board Members See Fire Motion Pictures

MILWAUKEE—The Milwaukee Board held an educational program following its regular business session.

Motion pictures were shown of the recent fire at Geo. Seelman & Sons Co., local advertising novelty manufacturers. This fire was outstanding because of the heavy content loss in spite of the fact that the building is modern and of

fire proof construction. The film was shown by R. E. Krug, municipal reference librarian, and is from the common council files of motion pictures on city activities. After the picture the local agents heard a talk by Willis Van Pelt of the insurance premium division of the First Banccredit Corporation.

President Val Gottschalk announced that the Milwaukee Board is again cooperating with the Milwaukee Association of Commerce in the annual fire prevention school being conducted with 2,000 supervisory employees of local industry taking training in the fundamentals and practices of fire prevention. Instruction is given through addresses, motion pictures and fire fighting demonstrations, without charge. Henry Eckstein, local agent, is chairman of the board's fire prevention and safety committee. Frank C. McAuliffe, chief of the Chicago fire insurance patrol, and R. E. Vernor, Western Actuarial Bureau, are scheduled to lecture to the school.

Consolidation at Mansfield

MANSFIELD, O.—The organization of Slough-Lock-Powell Agency is the result of combining the business of the E. G. Slough Agency with offices in the Richland Trust building, and the W. J. Locke agency in the same building. Offices are now at 510 Richland Trust building. The Slough agency was established in 1899 by E. G. Slough and since his death in 1932 has been conducted by his son, Herbert R.

Mr. Locke has maintained a life insurance connection in Mansfield and vicinity for the last 10 years, having been district manager for the Equitable Society. He will manage the life, accident and health departments of the combined agency and will transfer his general agency of the Continental Assurance of Chicago and the Continental Casualty to the combined office. L. T. Powell, who becomes a member of the firm, hails from Columbus.

Bushby Heads Kansas Mutuals

G. W. Bushby, president Farmers Union Mutual, Salina, Kan., was elected president of the Kansas Association of Mutual Insurance Companies at the convention in McPherson. Theo G. Feller, Chapman, was named vice-president, and Homer J. Ferguson, McPherson, secretary. The association will meet in Salina next year.

Testimonial for J. J. Allen

SIOUX FALLS, S. D.—Testimonial dinner is being held here Friday evening for J. J. Allen, president of the McKinney & Allen agency of Sioux Falls. This will commemorate Mr. Allen's 70th birthday anniversary and his completion of 53 years in the insurance business. Quite a number of western managers and other executives of companies represented by the agency will attend. This is one of the important agencies of the state. Jay B. Allen, vice-president of the agency, is a son of J. J. Allen.

Nebraska October Claims Paid

LINCOLN, NEB.—Claims numbering 457 for \$112,279 were paid in October by fire companies reporting to the state fire marshal. For the first ten months 5,032 claims totaling \$1,229,115 were paid.

Gridiron Notables Heard

MINNEAPOLIS—W. W. ("Pudge") Heffelfinger, famous Yale football player of half a century ago, entertained the members of the Insurance Club of Minneapolis at a luncheon meeting this week with some remini-

scences of the early college game. He was followed by two other noted Minnesota players, Bert Baston, all-American end of a generation ago, and "Babe" Le Voir, who played on Minnesota's great teams of late years. Mr. LeVoir is now in the life insurance business in Minneapolis.

John M. Harrison, vice-president of Marsh & McLennan, who introduced the speakers, played end for Minnesota in the middle '90s.

Open House Meet at Faribault

FARIBAULT, MINN.—A large group of agents and field men from southern Minnesota attended the annual open house meeting here of the Southern Minnesota Agents Regional Association. Clyde B. Helm, secretary Insurance Federation of Minnesota, was among those present from the Twin Cities.

New Ohio Mutual Elects

The new General Mutual of Marion, O., has elected L. M. Francis, president; A. B. Lawson, vice-president; and F. H. Lawson, secretary-treasurer. They and R. C. Snare and H. J. Merchant are directors. The company writes fire and allied lines.

Fitzgerald Speaks at Columbus

J. J. Fitzgerald, president of Grain Dealers National Mutual Fire, spoke to the Mutual Insurance Club of Columbus, O., at its monthly meeting on "Mutual Insurance, an American Institution."

Nebraska Crop Cover Report

LINCOLN, NEB.—The Nebraska division of the Federal Crop Insurance Corporation reports applications on file from 28,882 farmers on 1,411,000 acres of wheat guaranteeing coverage averaging 14 bushels to the acre. This is about half the 1939 planting allotment for the state.

SOUTH

Joint Action Taken in Oklahoma City

At the conference in Oklahoma City between a committee from the Western Underwriters Association and the Oklahoma City Insurance Exchange to consider complaints of the local people that companies have been making loose and improper agency appointments it was stated that there are 339 alleged policy writing agents and 163 solicitors licensed in Oklahoma City. It was agreed that a joint committee would go over the appointments, giving each careful consideration, which will be a rather long task. It is hoped that this work can be completed within the next few months.

Manager L. J. McCoy of the Oklahoma Association of Insurers says: "Should this project prove successful it is hoped that we can proceed to help improve conditions in other communities where like difficulties prevail in more or less acute degree. Organized cooperation tempered with decency, justice and consideration is bound to have a beneficial influence on our working conditions."

OKLAHOMA CITY OBJECTIVES

OKLAHOMA CITY—President Herbert J. Heiman of the Oklahoma City Insurers Exchange announces the following major objectives for 1939: Closer cooperation with companies; to keep insurance out of politics and to keep politics out of insur-

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ance; to strive for fewer and better agents; eliminate secret commissions, discounts and rebates; and to work for lower rates through accident and fire prevention, plus elimination of expensive multiple agency selling system and unnecessary middlemen.

To carry out these objectives committees were appointed with the following chairmen: Company contact and co-operation committees: Western Underwriters Association, C. E. Haskett; non-affiliated fire and Western Insurance Bureau companies, Fred Fox; National Bureau companies, Ansel Earp; non-bureau casualty companies, E. W. Clarke; solicitors and sub-producers, F. Wiley Ball; unaffiliated agencies (to supersede the old "in-or-out" committee), Richard M. Eacock; membership, Lewis Miller; fire and accident prevention, "Brick" Welsh; credit and trade associations, Leslie Ash; public insurance, L. I. Baker, and Business Development, Pat Williamson.

Atlanta Agents See a Stronger Body

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friendship," the revival of organization interest, proper investigation of issuance of agency licenses, increased procuring of public business, augmented membership and promulgation of educational plans was outlined by President Rutherford Lipscomb of the Atlanta Association of Insurance Agents at the first session since the annual meeting last summer. The executive committee has been carrying out its program of weekly gatherings. A large number of agents attended.

To develop the plans as outlined, President Lipscomb appointed the following committees, the chairmen being Membership—H. R. Sanford; finance—Dan McIntyre; fire prevention—I. S. Moss; agency appointments—Phil Collins; business practice—Bob Bryan; public business—Herman Haas; arbitration—Oscar Venable; publicity—Adna North; educational—W. Eugene Harrington.

Dallas Association School Opens Its Third Year

DALLAS—The third year of the insurance school of the Dallas Insurance Agents Association opened with 75 enrolled in the casualty course and 92 in the fire course. F. J. Bray is in charge of the casualty and Alfonso Johnson of the fire classes. The courses of the Insurance Institute of America are used and Texas men who are specialists in their subjects give the lectures.

Allen Wight of the Dallas law firm of Touchstone, Wight, Gormley & Price opened the casualty work with a discussion of the law of negligence as it applies to liability insurance. Charles Rankin of I. Reinhardt & Son gave the first of six lectures of word-by-word analysis of the fire policy contract and its endorsements, to open the fire course.

President Paul Kirkpatrick of the Dallas association officially welcomed the students. All necessary reference books are loaned to students, without charge, from the insurance library jointly sponsored by the Blue Goose and the local exchange.

Raymond E. Hulsey, assistant manager Texas Auto Insurance Service Office, Austin, will give the second lecture to the casualty class on the legal background of automobile insurance, including compulsory insurance and financial responsibility laws.

Plan Georgia Regional Meetings

ATLANTA—Definite plans are being made by the Georgia Association of Insurance Agents for regional meetings the coming year. These meetings will be open to local agents, whether members of the Georgia association or not, field men and other company representatives. They will be entirely of an educational nature.

Join Texas General Agency Co.

Carl Cadwell, who has had several years of experience in various types of insurance in the middle west, has joined the Texas General Agency Company of San Antonio, and will be in charge of the automobile and fire division.

C. F. C. Ladd, Jr., formerly manager of the Maryland Casualty claim office in San Antonio, and more recently with the compensation department of the Texas highway department, has resigned to take charge of a newly created public relations department in the Texas General Agency Company.

Knox & Son Expand

BIRMINGHAM, ALA.—C. K. Knox & Son, general agents, have expanded their operations, taking one new company and adding two new special agents. C. K. Knox and C. K. Knox, Jr., will now be assisted in the field work by Cecil J. Nixon, formerly of the state highway department, and F. H. Smith, former secretary of the Alabama Association of Insurance Agents and more

recently a special agent in Alabama for Seibels, Bruce & Co., of Columbia, S. C.

The Knox agency has just taken on the Homeland. It also represents the Baltimore American, Piedmont and Gibraltar F. & M. The agency recently gave up representation for the Fulton on the appointment of Earl G. McLin as special agent in Alabama for the Hanover group of which the Fulton is a member.

Charged with Arson, Embezzlement

RICHMOND—An arson charge has been lodged against L. E. Walton, bookkeeper for the Sutton & Co. agency of Richmond, arrested recently on a charge of embezzling \$15,000 from the firm. The arrest was made in police investigation of a fire which did considerable damage to the firm's office at 16 North Ninth street. He is now charged with setting fire to the building in addition to the embezzlement charge. He had been with the agency as bookkeeper 20 years.

Oklahoma Regional Meets

The Oklahoma Association of Insurers is holding a series of four regional meetings. The first was held this week at Lawton. The next meeting will be at McAlester Nov. 22, with Charles Brice, president McAlester Insurers Exchange, presiding. The third meeting will be at Woodward Nov. 29, under direction of Harry Frantz of Enid, vice-president of the state association, and J. R. Figley of Woodward. The final meeting at Vinita early in December will be in charge of Hugh Ratcliff.

Honor C. E. Stickley

OKLAHOMA CITY—In honor of his 30th anniversary as local agent in Oklahoma City, Charles E. Stickley was presented a chime clock by John A. Bosdett, state agent, on behalf of the Queen. He was also presented a fountain pen by J. C. Dulany, representing Sun. Mr. Stickley has represented both organizations since 1908. Mr. Stickley started his insurance career in Oklahoma at Purcell, where he opened a local agency in 1901. The presentations were made at a dinner.

Bosses' Day Nov. 24

At the semi-monthly meeting of the Oklahoma City Insurance Women's Club plans for the annual "Bosses' Day" on Nov. 24 were completed.

Half Million Cotton Loss

The Big Spring Cotton Compress and some 10,000 bales of cotton at Big Spring, Tex., burned with a loss of \$500,000 reported to be fully covered by insurance.

Southern Notes

The W. L. Norton Agency, Gainesville, Ga., has been incorporated.

J. Roscoe of Del Rio, Tex., has opened a local agency there as J. Roscoe & Co. C. D. Hall, 62, Hall, St. John & Walter agency, San Antonio, Tex., died there.

Francher, Rupe & Francis, Seymour, Tex., have purchased the Hankins Insurance Agency there and combined it with their plant.

Miami agents, following a suggestion of M. D. Adams, director of the local board, will present medals to firemen and policemen for high class service, beginning the first of 1939.

Dolph Smith, Jr., has become manager of the United Insurance Agency, West Memphis, Ark., following the death of his father, Dolph Smith, Sr., of Crawfordville.

L. I. Baker, Oklahoma City, former secretary of the Oklahoma Association of Insurers, was key speaker at the father and son banquet at Creston Hills school.

J. A. Leddon, Jr., formerly in local agency work at Port Lavaca, Tex., but more recently with the Texas General Agency Company of San Antonio, will be associated with L. H. Adams in the Adams & Leddon agency, Victoria, Tex.

Local agencies recently opened in Oklahoma are those of Minnie Benson at Omega; A. J. Garnett at Cashion; Roy E. Harper at Seiling; Joseph L. Bound at Kingfisher and Wallicia Gardner at Ardmore.

COAST

Stamping Office for Surplus Lines

SAN FRANCISCO—Completion of the organization of a stamping office is announced by H. J. Toso, secretary of the Surplus Line Association of California. Irwin C. Toomey, former field man for the Aetna Life companies at Sacramento, Cal., has been engaged as assistant arbitrator to have active charge of the office, which will be located with the Pacific Coast branch office of the National Bureau of Casualty & Surety Underwriters.

Purpose of the new stamping office is to pass on filings required by the California department under the regulations issued a few months ago, following a change in the California surplus line brokers' law. Mr. Toomey will pass on the filings subject to the commissioner's approval.

A meeting of the association was held in San Francisco Nov. 16 with another in Los Angeles Nov. 18 to discuss details as to the procedure to be followed.

The California plan, which brought about the formation of the Surplus Line Association a few months ago, has been adopted in Illinois and steps have been taken to put it into effect in Oregon.

Washington Agents to Seek Stability in Auto Rates

SEATTLE—Serious consideration will be given by the Insurance Agents League of Washington to the automobile rate situation. The rate parity in automobile liability and property damage insurance, which has been in existence since 1934, faces its first threat of disruption. The Washington League has already gone on record with Commissioner Sullivan as opposing the new deviations filed by a number of companies. It is expected that further action will be taken by the agents' organization to preserve rate stability.

A new effort of the league, undertaken this year for the first time, is a drive to recapture lines of insurance now being placed outside of the state. Report of the new committee in charge

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of the drive was given at a meeting here by Ray P. Ensign, Seattle, chairman.

A similar course is being followed in Oregon. The plan is being actively pushed by both associations along the same lines as in California.

Link Producers of All Classes in Association

SAN FRANCISCO — Associated Producers of California is a new organization completed by representatives of the California Association of Insurance Agents, Society of Insurance Brokers and Insurance Brokers Exchange of San Francisco and the California Association of Life Underwriters.

Object of the new organization, as told in a preliminary statement by leaders, is to develop united efforts in promoting insurance business and in raising the value of the service of the producers to the insuring public.

Fred Hohwiesner, immediate past chairman of the Society of Insurance Brokers, was elected chairman, with Hugo Meyer, secretary Insurance Brokers Exchange, acting in the same capacity for the new organization.

Inimical Measures Defeated

LOS ANGELES—With six proposed amendments to the state constitution on the ballot that would have vitally affected insurance interests, the state enacted two and the four that were regarded as decidedly inimical were rejected.

The two that were enacted were one requiring all gasoline tax moneys and vehicle license fees to be used for state highway purposes only, and one relating to taxation of insurance companies, which in effect simplifies taxation of re-insurance premiums.

Amendments defeated included one sponsored by the Automobile Club of Southern California and the California

State Automobile association, creating a commission with a ten-year tenure of office to take over the state highway commission, California highway patrol, motor vehicle department and gasoline tax; the revenue bond proposal which would have saddled an enormous bond debt on any political subdivision of the state; the single tax measure, and the \$30 per week pension measure.

Coast Hail Conference to Meet

SPOKANE, WASH.—The annual meeting of the Pacific Coast Hail Conference will be held here Nov. 29, according to Secretary C. F. Laude. The meeting will act on plans for the hail season of 1939 for all states under the jurisdiction of the conference.

Fortz Shifted to Spokane

SPOKANE, WASH. — E. R. Foltz has been made administrative officer here for the Federal Crop Insurance Corporation. He was transferred from the Kansas City office. Nearly 400 applications have been received for crop insurance from farmers in this territory.

Orange County Exchange Elects

The Insurance Exchange of Orange County, Cal., at its annual meeting at Laguna Beach, elected these officers: President, Audrey Lake, Fullerton; vice-president, R. G. Cartwright, Santa Ana; secretary-treasurer, Frank Crook, Fullerton; directors: M. E. Beebe, Anaheim; H. P. Harrison, Santa Ana; Harry McCullough, Laguna Beach, and Mac O. Robbins, Santa Ana.

Arizona Agents' Meeting

At the annual meeting of the Arizona Association of Insurance Agents the maximum dues were increased from \$25 to \$150 a year. In addition to the address by V. M. Haldiman of Phoenix, who was reelected president, the speakers were E. L. Thomas of Phoenix, manager Fire Companies Adjustment

Bureau; Harry Talmadge, Tucson; William Aven, Prescott; C. W. Bond, Phoenix, and Spencer Kimball of Safford. Mayor W. J. Thalmeier of Phoenix gave the welcome. Don B. Goldsmith of Los Angeles, immediate past president California Association of Insurance Agents, gave a talk and Roy Rummage represented the state corporation commission.

Field Men Give Lectures

SPOKANE, WASH.—Guy Hedreen, special agent Fire Association, and E. M. Leonard, special agent America Fore, gave special lectures at insurance classes conducted at Kinman Business College. Harry Keegan, branch manager Edward Brown & Sons, will speak on automobile insurance.

Women's League Nominations

SAN FRANCISCO—Mrs. Alyce West has been nominated for reelection as president of the San Francisco Insurance Women's League. Others nominated are Evelyn Young, vice-president; Lucille Davis, secretary, and Gertrude Braun, treasurer.

Fleming Speaks in Denver

DENVER—Careful investigation of insurance coverage on all property offered as collateral for loans is essential to healthy credit operation. T. Alfred Fleming, conservation director National Board, told a group of 75 members of the Rocky Mountain Association of Credit Men and local and general agents here.

He cited a case involving leasehold insurance in Spokane, Wash. A business house had a long term lease on a building, the value of which was constantly increasing. The firm did not carry leasehold insurance. When the building was destroyed by fire the cost of going back into the old location would have been increased at least ten times. Unable to meet that expense the firm moved to a distant location away from its customers and soon went into bankruptcy. Leasehold insurance would probably have saved that concern, or at least made possible a much larger settlement to creditors.

Hold Joint Meeting in Portland

PORTLAND, ORE.—A joint session of Portland Credit Men's Association, Insurance Exchange of Portland, Oregon Insurance Agents Association and Oregon division of the Special Agents of Northwest was held here with 106 in attendance.

John O. Baker, Portland Exchange president, introduced W. L. Hay, president Credit Men's Association, chairman of the meeting; City Commissioner Earl Riley, J. W. Stevens, National Board, San Francisco, and T. A. Fleming, supervisor of conservation National Board, who was the chief speaker.

A general discussion forum followed. Among the key men who answered queries of various types were: J. S. Leavy, vice-president Portland Exchange, casualty insurance; G. W. Haerle, Sexton & Co., surety and miscellaneous bonds; A. P. Knapp, director Portland Exchange, marine insurance; H. C. Stevens, Equitable Society, life insurance; H. J. Vold, Fire Companies Adjustment Bureau, fire insurance adjustment. It was the first time such a meeting has been held and its success was most gratifying.

Mr. Fleming also drew large audiences at meetings in Seattle and Spokane.

Seek Portland Agency Limitation

PORTLAND, ORE. — According to John O. Baker, president, the Insurance Exchange of Portland has attempted to secure the cooperation of home offices and general agencies in limiting the appointment of agents to those whose primary activities will be confined to the insurance business.

"We received many responses from home offices and general agencies who



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Eastern Department
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W. W. GILMORE, Manager
Pacific Department
332 Pine St.
San Francisco, Cal.

C. CLAUSSEN, Manager
Western Department
223 W. Jackson Blvd.
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heartily endorsed our plan," Mr. Baker said. "Certainly nothing has been said or implied that could be construed that it is the desire of the exchange to have a 'closed shop' in the insurance business."

"We commend and compliment those agents and branch offices which maintain schools for the training of young men and young women who desire to engage in the insurance business."

New Legislators Acceptable

DENVER—The definite conservative swing in last week's election brought into office a large number of men who are acceptable to insurance interests. Three of the four state senators elected from Denver were first choices of the Rocky Mountain Fire Underwriters Association and the fourth a second choice. Of the 15 state representatives

elected from Denver eight were first choices.

United National Mutual Quits

The United National Mutual of Denver has reinsured its business with the Central Manufacturers Mutual of Van Wert, O. It was a small concern, having \$28,690 assets. Its premiums last year were \$17,191 and losses \$6,781.

Made Cobb & Stebbins Special

William M. Jones has been appointed special agent of the Cobb & Stebbins general agency of Denver for southern Colorado and New Mexico.

Mr. Jones was formerly with the "Insurance Field" in Chicago and later with the Illinois Inspection Bureau before going to the southwest.

Mutual Insurance Companies. He was a member of the board of the Mutual Reinsurance Bureau of Belvidere, Ill.

Harry E. Moore Again Heads Massachusetts Brokers

BOSTON—Harry E. Moore, Moore Olive & Co., Boston, elected to his third term as president of the Insurance Brokers Association of Massachusetts, made a strong plea in his annual report for the need of a defense organization for brokers. He warned against lawmakers considering proposals for state insurance monopolies; non-agency and direct writing companies, part timers and the growing tendency of the companies to deny the producer reasonable return for his services. He stated cooperative efforts were under way with the commissioner of insurance to raise the standards for brokers licenses.

Other officers elected were: Secretary-treasurer, G. M. Neily, James Simpson Co.; vice-presidents, H. D. Broderic, H. S. Bowen, T. R. Sullivan and Hamilton Wood; executive council, Thomas Ashley, Paul Burrage, F. S. Chapman, M. B. Helfant, L. H. Hoffman, E. S. Litchfield, E. M. Peters, A. W. Poole, R. E. Stone, J. W. Watson, H. P. Williams, C. J. A. Wilson, A. D. Cronin, H. E. Frost and Collins Graham.

New Philadelphia Insurance Telephone Directory Issued

The 1939 edition of the Philadelphia Insurance Telephone Directory has come from the press of THE NATIONAL UNDERWRITER this week. Copies are now being mailed to the insurance people of Philadelphia. This new directory brings up to date the names, telephone numbers and addresses of those engaged in all branches of the insurance business in the Philadelphia metropolitan area.

Additional copies of the book can be obtained from THE NATIONAL UNDERWRITER's Philadelphia office, 1127 Fidelity-Philadelphia building, 123 South Broad street, telephone Pennypacker 3706, or from the Chicago office, 175 West Jackson boulevard.

Maryland Agents Election Winners

Several Maryland insurance men were elected to public office in last week's balloting. W. C. Walsh, former insur-

Washington "Herald" Features J. B. Moor

The Washington, D. C., "Herald" in its series of cartoons of "Who's Who" in Washington, features J. Balch Moor, district insurance superintendent. It says in that connection:

"Sometimes he's referred to as the 'czar' of the business here, seeing that he passes on the licenses of the 519 companies here and sees that the regulations are enforced. Doesn't like the term, though. Red-faced and hard-headed, he's firm exponent of the soft word that gets results. Clears up many a disputed point between policyholder and company that way when getting tough would be getting nowhere."

"And there are hundreds of individuals a week who find their way to him seeking information and advice about their policies. Gives him a very intimate slant on tangled patterns of lives. Easy to get to. Knows where his powers stop, but draws no such firm line about being helpful."

"One of his days would seem to visitor pretty wearing. Peaceful, he thinks, being a graduate of NRA's more hectic days. Was a deputy administrator, set up several codes. Appointed to D. C. office three years ago. Middling proud of getting \$150,000 reduction in fire insurance premiums here last year, and taxi liability rates 30 per cent under most cities."

Texas; 30 years in all phases insurance there. Saw last of longhorns straggle across plains. Married; one daughter. Relaxes with ball games and bridge and colonial explorations. Something of authority on pecan culture. Imports some hundreds of pounds yearly, from his place on Red River, to pass out to friends."

ance commissioner, was elected attorney-general.

Two members of the Poor, Bowen, Bartlett & Kennedy agency of Baltimore were elected as congressmen. A. J. Kennedy was reelected and Thomas D'Alesandro was elected as a new member.

W. C. Carter of the Mason & Carter agency, Baltimore, was elected to the state senate while E. J. Albers and B. M. Boone, II, were elected to the lower house of the state legislature.

Plan Somerset Board

Plans are under way to form another county insurance association in New Jersey which will represent Somerset county. A meeting will be held shortly by the agents of the county and officials of the New Jersey Underwriters Association.

Henry Johnson Dies

BOSTON—Henry E. Johnson, 77, broker and adjuster in Boston for many years, died following a brief illness. Many years ago he was secretary of the old Melrose Mutual Fire, but in recent years he had acted as adjuster for mutual companies.

Hudson County Seeks Trophy

NEWARK—The Underwriters Association of Hudson County is planning an intensive drive for new members and is out to capture the position as the leading county board in New Jersey and win the William J. Wilson Memorial Trophy away from the Essex County Board.

Honor McManus' 35th Year

HARTFORD—Home office men of leading companies were here to greet J. Henry McManus of McManus & Co. on the occasion of his 35th anniversary as a general insurance agent. Each of the agency's 500 agents sent Mr. McManus a new application as a greeting. Mr. McManus has been widely recognized for his knowledge of insurance.

EASTERN STATES ACTIVITIES

Pittsburgh Program for Second Session

PITTSBURGH—The second section of the insurance school sponsored by the Insurance Club of Pittsburgh in the Frick Training School with the cooperation of the Pittsburgh board of education is as follows:

Complete Schedule

Dec. 1—"Law of Negligence," Harold E. McCamey, Dickie, Robinson & McCamey.

Dec. 5, 8 and 12—"Workmen's Compensation," H. P. Schewe, superintendent casualty department, New Amsterdam Casualty.

Dec. 15, 19 and 22—"Automobile Insurance," Val E. Schott, manager automobile insurance J. W. Henry Company.

Jan. 3 and 5—"Liability and Property Damage Policies," by James R. Wilson, underwriter Travelers.

Jan. 9—"Aviation Insurance," by H. Cecil Wasson, supervisor United States Aviation Underwriters.

Jan. 12—"Burglary Insurance," J. Harry Ditman, superintendent burglary department, United States Fidelity & Guaranty.

Jan. 16—"Accident and Health Insurance," John J. O'Donnell, Lon C. Jeffrey Company.

Jan. 19—"Miscellaneous Casualty Policies," Frank S. Kauffman, manager Travelers.

Jan. 23, 26 and 30; Feb. 2—"Surety," Albert C. Supplee, manager, and Lee T. Sellars, United States Fidelity & Guaranty, and W. J. Zwinggi, Logue Brothers, president Pittsburgh Surety Association.

Feb. 6—Claim Adjustments, James J. Burns, attorney.

Feb. 9—Examination.

Reid Is President of Pittsburgh Club

PITTSBURGH—Wallace M. Reid of Wallace M. Reid & Co., was elected president of the Insurance Club of Pittsburgh at its annual meeting.

C. F. Flaherty, Tener-Lowrey Company, and G. E. Scaff, Royal Exchange, are vice-presidents; J. M. McFadden, North America, secretary, and F. A. Meisel, North British & Mercantile, treasurer.

Directors Elected

New directors are E. W. Murphy, A. L. Patterson Agency, Inc., chairman; C. H. Alexander, McCandless, Collingwood & Alexander; H. B. Ellis, Hoover & Diggs Company; W. K. Estep, manager Allegheny division Middle Department Rating Association; W. C. Fiand, Crum & Forster; R. F. Miller, National Union Fire; P. J. Mullen, state agent Phoenix of London; H. W. Schmidt, H. W. Schmidt Company, and W. J. Zwinggi, Logue Brothers.

H. S. Bepler, general agent Manhattan Fire & Marine, retiring president, was presented a hunting gun. Plans for

the annual Insurance Day program Feb. 13 were discussed. More than 100 attended.

Robert A. Barbour, Mutual Fire Leader, Is Dead

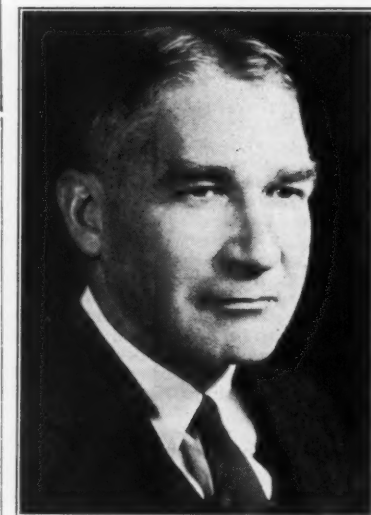
PITTSFIELD, MASS.—Robert A. Barbour, president and treasurer of Berkshire Mutual Fire since 1928, and an outstanding mutual fire executive of New England, died at the House of Mercy hospital in Pittsfield at the age of 67. He was born in Cambridge, Mass., and after attending Newton schools entered the agency of Jordan, Lovett & Co. in Boston in 1892. He went with Berkshire Mutual in 1897, was elected assistant secretary in 1910 and secretary in 1912. In 1916 he became secretary-treasurer and was elected president in 1928. He was also president of Hampshire Fire and vice-president of Berkshire Trust Co.

On Federation Board, 1926-28

Charles T. Patch, assistant secretary of Fitchburg Mutual Fire, is a son-in-law.

He was on the board of the Federation of Mutual Fire Insurance Companies 1926-28. For years he had been a director of the National Association of

SPEAK AT ROCHESTER FUNCTION



LOUIS H. PINK

Superintendent Pink of New York was one of the chief speakers at the meeting of the Rochester, N. Y., Underwriters Board this week. Another distinguished figure who attended the banquet and spoke was George S. Van



GEORGE S. VAN SCHAICK

Schaick, former insurance superintendent who preceded Mr. Pink in office. Mr. Van Schaick is now vice-president of the New York Life and formerly lived at Rochester where he was an eminent attorney.

He has been a director of the Maryland Casualty, and is now a director of the New Brunswick. He is general agent of the New Brunswick Fire, Homestead Fire, Paul Revere Fire and City of New York, all of the Home fleet. He has served these companies since 1917, and the Maryland Casualty since 1903 as general agent.

Numerous testimonials were received by Mr. McManus from insurance and business men, and from Commissioner J. C. Blackall.

The McManus agency has a premium volume of over \$1,000,000 a year.

Name Insurance Committee

NEWARK—The insurance committee of the New Jersey Building & Loan League has been appointed: H. N. Stam, chairman; Paterson; Leonard Fuchs, L. J. Rosenthal, Richard Spitz and H. Z. Steiner, Newark; P. J. Sand, Camden; E. M. Schmuls, Ridgewood.

C. Stanley Stults, Hightstown, N. J., formerly president of the New Jersey Underwriters Association, has been made a member of the taxation committee of the league.

Pawtucket Mutual Building

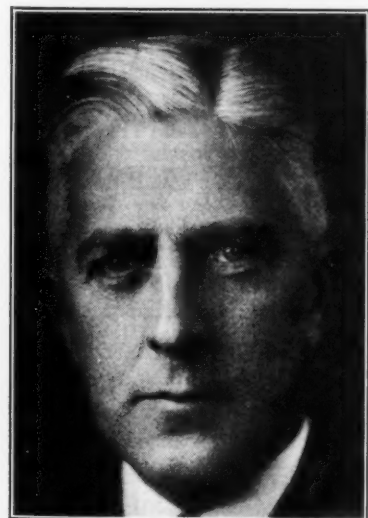
The building addition, doubling the office space of the Pawtucket Mutual Fire of Pawtucket, R. I., will be completed by the end of the year. It was started last June. Both the new and old parts will be equipped with sound-proof ceilings and air conditioning. Glass brick is being used to close openings. The company is entered in 20 states. Its assets and premiums have doubled in the last 10 years. The president is Frank Bishop, who just retired as president of the National Association of Mutual Insurance Companies at the Syracuse meeting.

Eastern News Notes

J. C. Cousseboom, 63, who had conducted an agency in Woonsocket, R. I., for several years, died after a brief illness.

Miss Catherine M. Finley has been elected secretary of the Pawley & Co. agency, Ashbury Park, N. J., succeeding W. P. Sherman.

New President



J. EDWARD COCHRAN

J. Edward Cochran, head of J. Edward Cochran & Co. agents at Hagerstown, Md., who has been elected president of the Maryland Association of Insurance Agents, is prominent in the agency field and is taking a lively interest in the organization.

Mr. Cochran is a native of Baltimore, entering the insurance business there in 1913. The latter part of 1918 he opened an office in Hagerstown, doing a general insurance business. He is a member of the National Association of Casualty & Surety Agents.

MARINE INSURANCE NEWS

Souders to Chicago for Fire Association

Fire Association is transferring Virgil W. Souders from the head office to Chicago to take over the position of manager of the western marine department. He succeeds S. C. Mount, who opened the western marine department about a year ago for Fire Association, and has now resigned.

Mr. Souders since July, 1937, has been assistant manager of the marine department at the head office. He was connected with the Ohio Inspection Bureau in Cleveland for two years, then traveled for two years for Phoenix of London in Ohio. In 1925, he went with Fire Association as state agent in eastern Ohio, remaining in that position until 1933. He was then shifted to the Pacific Coast as assistant manager, remaining until he was taken into the head office in the marine department last year.

Mr. Souders graduated from Western Reserve University and from Ohio Northern University law school.

Mount Returns to Royal in High Post

Spencer C. Mount has returned to the Royal-Liverpool organization as manager of its western inland marine department in Chicago and manager of the Royal's western marine department. Mr. Mount was formerly located in the Chicago marine division of these companies but left a year ago to open a western marine department for Fire Association. For 20 years he was connected with Thames & Mersey Marine, one of the Royal-Liverpool companies. He is a highly regarded man.

Wisconsin Marine Case Appeal

MADISON, WIS.—The Wisconsin supreme court will hear arguments next January in the appeal of the case brought by Northwestern National testing the authority of the commissioner to regulate inland marine writings. Cir-

cuit Judge Reis recently upheld Commissioner Mortensen.

"If fire insurance can be written under an inland marine policy, the entire insurance rating law will become a dead letter," Mr. Mortensen asserted. "If this can happen, all fire insurance policies in Wisconsin might be rewritten and the insurance department would have no jurisdiction over any of them. This would involve millions of premiums on billions of fire insurance written in the state. Under the present statutes the department has no jurisdiction over inland marine underwriting."

Can Use Credit for Extension

The Inland Marine Underwriters Association has now ruled that the credits produced by the recent personal property floater rate reductions in respect of existing policies may be used to extend the terms of those policies. These reductions have to do with the jewelry floater portion of the contract.

The new personal property form definitely includes coverages on bicycles. The impression was given in the article in last week's edition, reporting the changes, that bicycles were not covered.

Wrecks Talks to Institute

Frank B. Wrecks, general agent Aetna Fire, and vice-president in charge of inland marine of the Insurance Institute of Hartford, discussed "Transportation Insurance," at the third lecture in the inland marine course of the institute. He spoke of merchandise shipped by coastwise and inland steamer, rail, express, truckmen and other carriers exclusive of parcel post.

John T. Byrne Reelected

John T. Byrne has been reelected chairman of the board of managers of the American Syndicate for Insurance of Foreign Hulls. D. C. Anderson, acting chief underwriter since Feb. 27, becomes underwriter. Douglas F. Cox is deputy chairman; E. W. Schuler, treasurer, and N. S. Adams, secretary.

John E. Mylett, Cleveland local agent, has been chosen civilian member of the Cleveland Heights firemen's pension board.

Entertainment Plan for the Convention of Commissioners

DES MOINES, IA.—The mid-winter meeting of the National Association of Insurance commissioners here Dec. 5-7 will not be all business as many social events have been planned to fill a heavy schedule.

Tentative plans, now under consideration by the entertainment committee, call for several outstanding programs which will be of much interest to the insurance men. S. A. Swisher, Jr., superintendent of agencies of Equitable Life of Iowa is chairman of the entertainment committee and has been busy arranging the necessary details.

According to plans a stag party will be held Dec. 5. Also the Pamunkey Tribe will hold forth that evening.

The outstanding event will be the banquet on Tuesday evening which will be attended also by the ladies. The entertainment committee is understood to have gone to great lengths to make this program one of the best of its kind.

The ladies will not be idle while their husbands are busy attending business sessions. So far it is planned to hold a bridge luncheon Monday afternoon and a style show and tea Tuesday afternoon.

Monday afternoon and Tuesday are scheduled for committee meetings. The

question of the zone system of convention examinations together with some sidelights promises to generate a very warm discussion. The governor of Iowa and mayor of Des Moines will give welcome addresses and response will be made by Commissioner Ham of Wyoming, first vice-president. The only set address will be given by G. S. Van Schaick, vice-president New York Life, former New York superintendent, on "A New Safeguard for Old Risks." A number of the commissioners and camp followers will arrive Dec. 4, and the day will be spent in socializing.

Named by Indianapolis Life

A. T. Graham of Chicago has been elected president of the Chicago Commercial Agency, recently formed, which has been appointed general agent of the Indianapolis Life in Chicago with offices in 134 South LaSalle street. Mr. Graham will continue his brokerage business in the Insurance Exchange building. He is vice-president of the Insurance Brokers Association of Illinois and prominent in work of the Insurance Institute of America in Chicago, being a member of the insurance education committee which is sponsoring various institute courses in Chicago. The new agency will serve as an outlet for Mr. Graham's life business, as well as doing a general agency and brokerage business. Mr. Graham formerly was a member of Eldredge, Carolan, Graham & Cleary, general insurance firm of Chicago.

MOTOR

Michigan Denies Reciprocal's Request for New License

LANSING, MICH.—The application of the Motor Indemnity, South Bend, Ind., reciprocal, for a broadened Michigan license to permit it to appoint direct-writing agents has been turned down by Commissioner Gauss. The commissioner said he was convinced that granting the application would be "against public policy."

The reciprocal is operated by the same interests as those owning the Associates Investment Corporation. It has been licensed in Michigan merely to write fire, theft, and collision business on automobiles financed by the allied corporation. Due, it was reported, to declining business in the motor financing field, the South Bend concern apparently sought to broaden its insurance operations extensively and make that branch of its activities a major one. It had been planned, it appears, to develop an extensive agency plant and to augment its limited insurance coverage with property damage and public liability lines.

With the application under consideration by the department, a conference of auto-writing carriers' representatives was called here by Waldo O. Hildebrand, secretary-manager of the Michigan Association of Insurance Agents, and the group met with Commissioner Gauss to lodge a vigorous protest against granting any broadening of the reciprocal's license.

Basic Principles Given for Successful Selling

(CONTINUED FROM PAGE 31)

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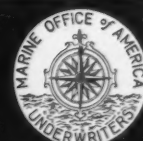
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Robert Elsner of the R. R. Elsner Insurance Agency, has been elected secretary of the Kiwanis Club of Milwaukee.

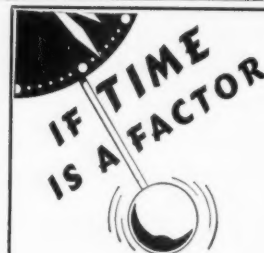
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Announcement

The National Underwriter Company has purchased the Handbook business of the Underwriters Report of San Francisco. In the future, The National Underwriter Company will publish the Handbooks that have previously been issued by the Underwriters Report for the states of California, Oregon, Washington, Montana, Idaho, Utah and Nevada.

The Underwriters Report was the original publisher of Handbooks in these states, having issued its first books more than 20 years ago. In making the purchase, The National Underwriter Company is acquiring all rights, title, interest and good will in the Handbooks for these states. The Underwriters Report is disposing of its Handbooks so that its staff may concentrate upon the publication of the paper itself and the insurance telephone directories for San Francisco, Los Angeles and other Pacific Coast cities, which were originated by the Underwriters Report.

The acquisition of these Pacific Coast and Mountain States Handbooks will considerably broaden the Handbook publishing scope of The National Underwriter Company. With the addition of these states, The National Underwriter Company will, in the future, be publishing Handbooks for 31 states.

In publishing Handbooks for the states just acquired, the same publishing plan will be used that has been followed in getting out Handbooks for the states farther East. All of the departments contained in our present books will be included in those to be issued for the states, the publishing rights for which have just been purchased.

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